



BOARD OF COMMISSIONERS
MONTHLY BUSINESS MEETING

MARCH 13, 2024

9:00 A.M.

W. ANDREW BOSS BUILDING
555 N. WABASHA ST.

I. ROLL CALL

II. MISSION MOMENT

III. INTRODUCTION OF NEW STAFF

IV. APPROVAL OF MEETING MINUTES

V. REVIEW OF BILLS AND COMMUNICATIONS: BANK REGISTERS FOR
FEBRUARY 2024

VI. SEARCH COMMITTEE UPDATE

VII. UNFINISHED BUSINESS

VIII.A. NEW BUSINESS CONSENT ITEMS

The following items are considered to be routine or non-controversial and will be approved in one motion, without discussion. If a Board member or other meeting attendee wishes to discuss a particular item, that person should inform the Chair and the item will be moved to the Discussion portion of the agenda.

1. BOARD MEETING MARCH 20, 2024; EXECUTIVE DIRECTOR CANDIDATE

VIII.B. NEW BUSINESS DISCUSSION ITEMS

1. APPOINTMENT OF INTERIM EXECUTIVE DIRECTOR
2. LOW INCOME PUBLIC HOUSING (LIPH) OPERATING BUDGET FOR SCATTERED SITES (AMP 9); FISCAL YEAR ENDING MARCH 31, 2025 (FY 2025)
3. CENTRAL OFFICE COST CENTER OPERATING BUDGET FOR THE FISCAL YEAR ENDING MARCH 31, 2025 (FY 2025)
4. SECTION 8/HOUSING CHOICE VOUCHERS AND MAINSTREAM (DISABILITY) VOUCHERS OPERATING BUDGETS FOR THE FISCAL YEAR ENDING MARCH 31, 2025 (FY 2025)

IX. INFORMATIONAL ITEMS

NONE

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL**REPORT TO COMMISSIONERS****FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR****REGARDING** Board Meeting March 20, 2024;
Executive Director Candidate**DATE** March 13, 2024

Staff recommends Board approval to hold an additional business meeting of the Board on Wednesday, March 20, 2024 at 9:00 AM. At this meeting, the Chair will update the Board on the Search Committee's Executive Director recruitment process and will recommend the hiring of a new Executive Director.

With the Board's approval of the meeting date and time, Board packets will be delivered to the Commissioners on Friday, March 15, 2024.

The Agency By-Laws state that "[R]egular meetings shall be held on at least three days' notice on the fourth Wednesday of each month at 9:00 a.m. or at such other date and time within the month as the Board of Commissioners at a regular or special meeting shall designate." (Article VIII.)

MLM/FAH

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL**REPORT TO COMMISSIONERS****FROM MISSY STAPLES THOMPSON
BOARD CHAIR****REGARDING** Appointment of Interim
Executive Director**DATE** March 13, 2024

The Chair recommends Board approval of the appointment of Alicia Huckleby, Human Resources and Resident Initiatives Director, as Interim Executive Director effective March 13, 2024 until the date the new Executive Director begins work at the PHA. The recommended rate of pay for this interim appointment would be \$95.86 per hour, the same as the current Executive Director.

As Interim Executive Director, Ms. Huckleby would assist in transitioning the oversight of day-to-day operations from the current Executive Director to the new Executive Director. In addition, the Interim Executive Director would represent the Agency at all meetings requiring the attendance of the Executive Director. No deviation from established policies and procedures is anticipated during this period unless approved by the Board. This appointment will ensure continuity of leadership as the Board completes its recruitment of a new Executive Director. The Board anticipates that the recruitment process will conclude with the selection of a new Executive Director at the special Board meeting on March 20, 2024, as explained in a separate report on this agenda.

Even if the Board selects a new Executive Director prior to the current Executive Director's departure, there will likely be a gap between the current Executive Director's final date of employment (April 5, 2024) and the new Executive Director's start date, due to the need for that individual to give notice to their current employer. As Interim Executive Director, Ms. Huckleby would cover the duties of the Executive Director during any such vacancy period.

If approved to serve as Interim Executive Director, Ms. Huckleby would be authorized to approve temporary reassignments of staff in the Human Resources and Resident Initiatives Departments to perform the duties of the respective Department Directors.

MST

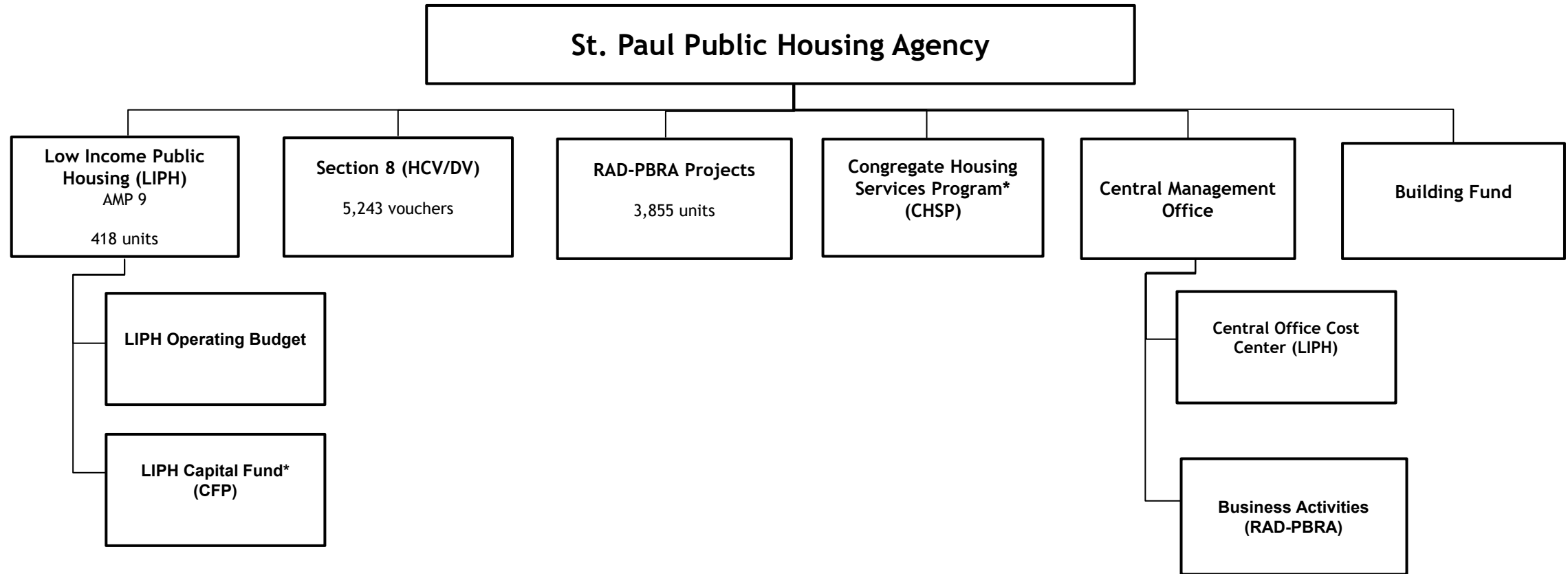
Fiscal Year 2025 Budget Agency Overview



Key Acronyms and Definitions

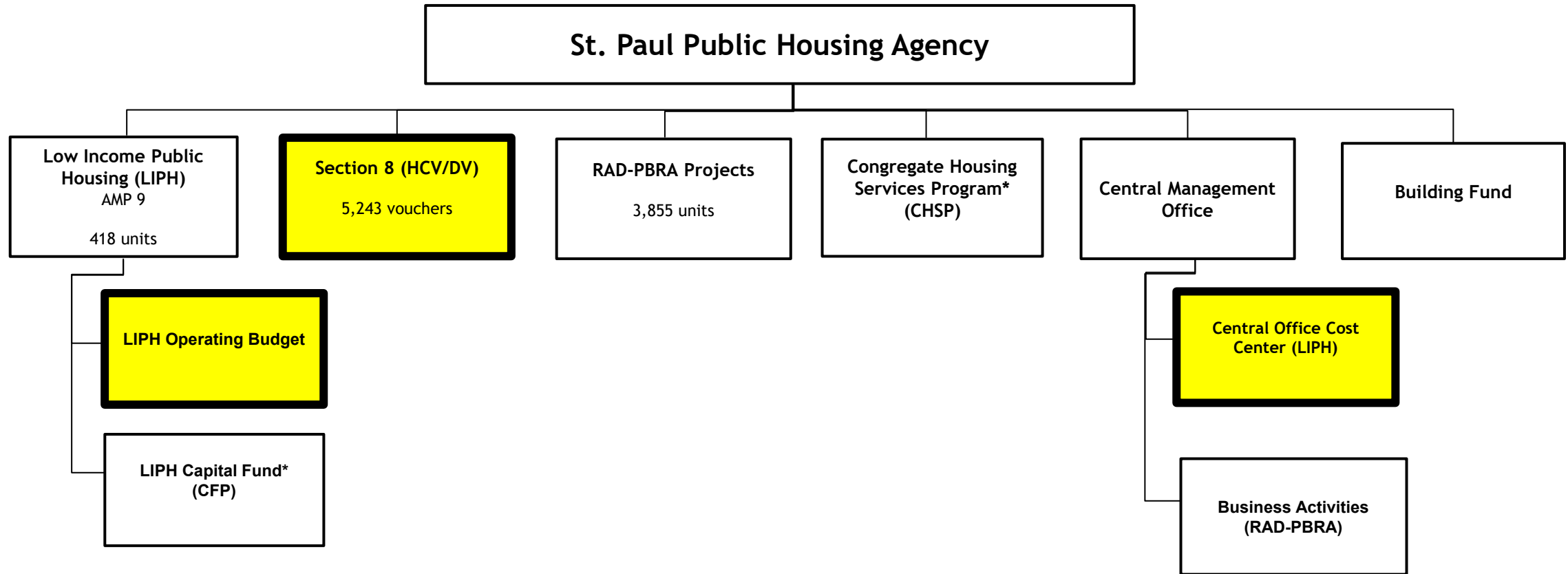
- **LIPH:** Low Income Public Housing
- **COCC:** Central Office Cost Center
- **HCV:** Housing Choice Voucher
- **RAD:** Rental Assistance Demonstration
- **PBRA:** Project-Based Rental Assistance
- **HAP:** Housing Assistance Payments
 - Payments to landlords and utility assistance payments to voucher holders
- **UNP:** Unrestricted Net Position
 - The reserve balance of the fund – often referred to as “reserves” or “operating reserves”
- **Months Routine Expenses**
 - The number of months that the PHA can cover routine operating expenses with current or projected reserve balances
- **Admin Fees**
 - Subsidies received from HUD that are designated for Section 8 administrative expenses

Major Operating Budgets



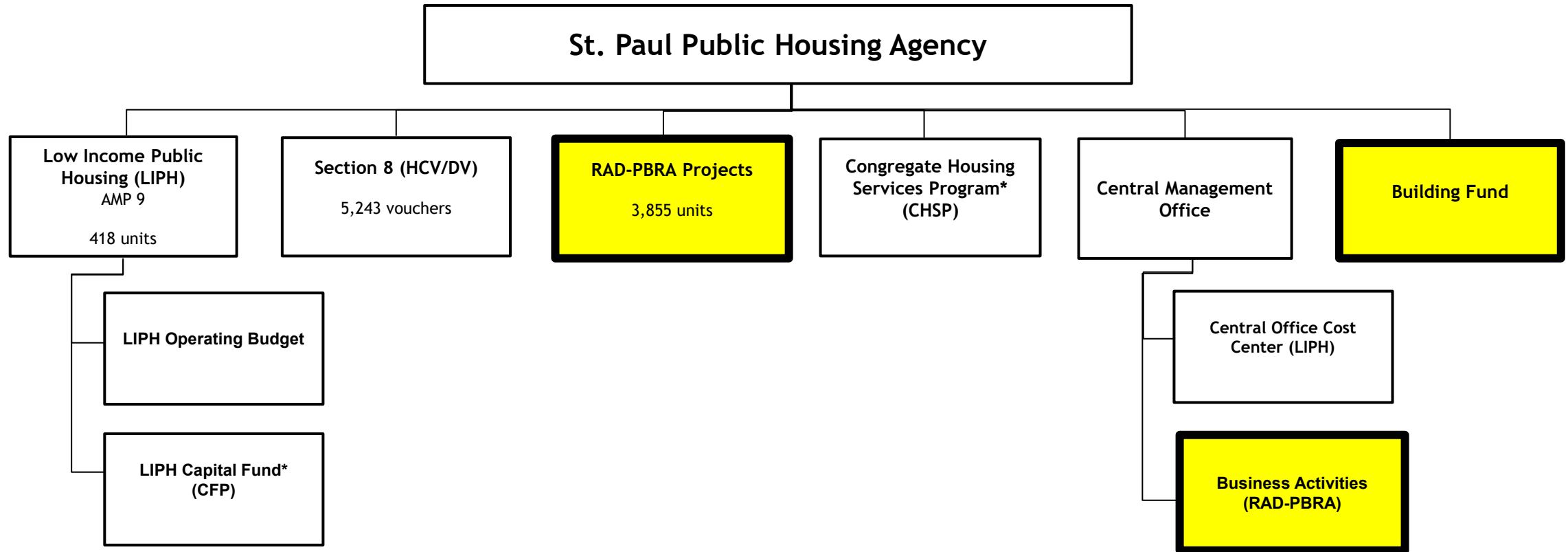
* Calendar year fiscal year

Major Operating Budgets - March 13, 2024



* Calendar year fiscal year – presented to the Board separately

Major Operating Budgets - March 27, 2024

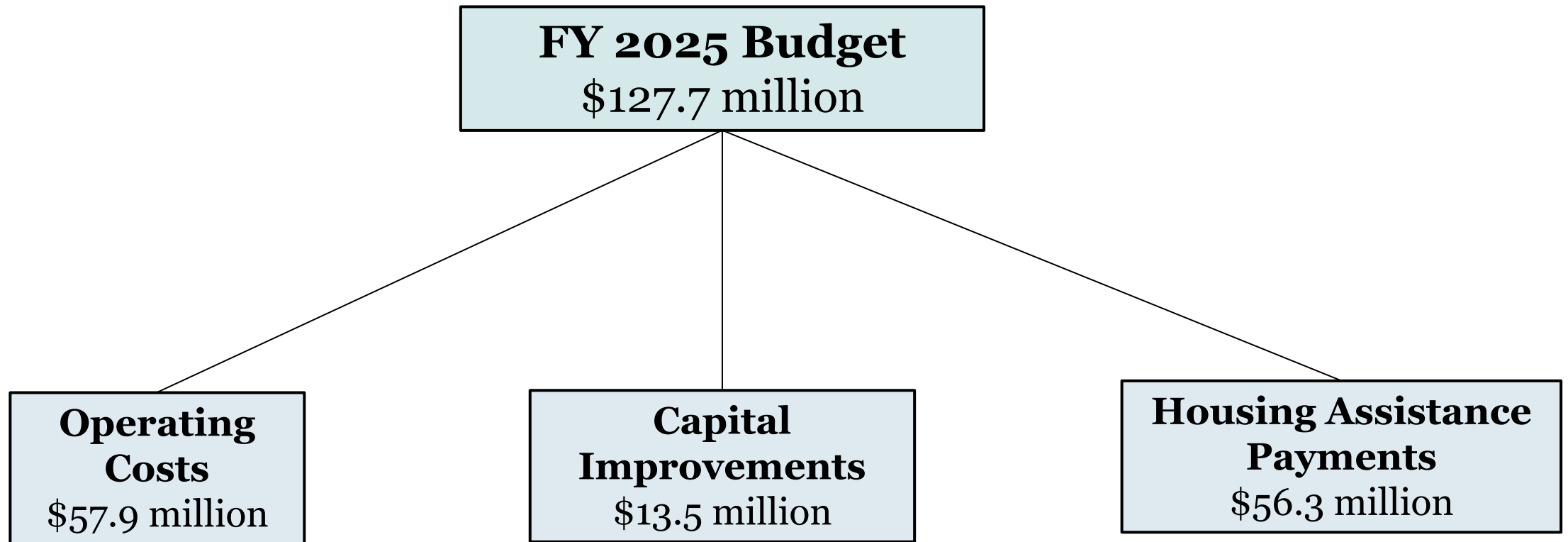


* Calendar year fiscal year – presented to the Board separately

FY 2025 Budget Highlights

- Revenues rebounding after declining occupancy in FY 2024
- Significant increases to capital improvement spending paid for by outside funding
- Continued investments in Rental Office and HCV personnel to increase occupancy and utilization rates
 - 2 Rental Technicians
 - 1 HCV Specialist
 - 1 Administrative Support Professional

Agency-Wide Budget Overview

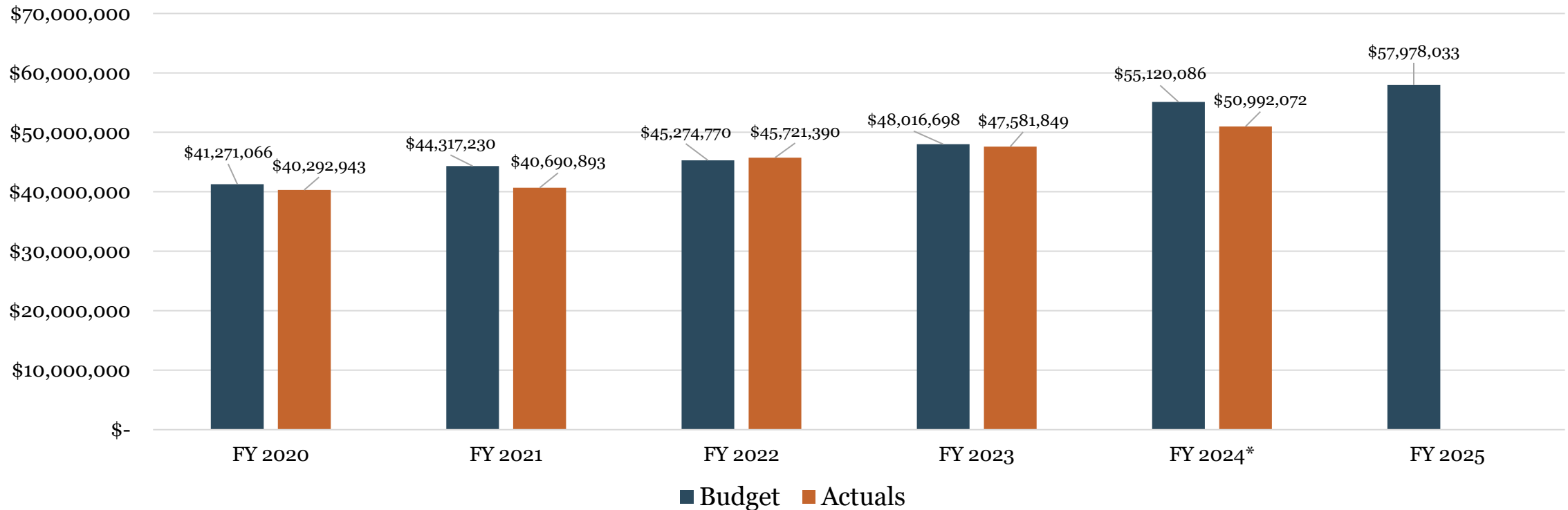


Operating Cost Categories

- Administrative
- Tenant services
- Utilities
- Ordinary maintenance
 - Materials
 - Contracts
- Protective Services
- General

Operating Costs

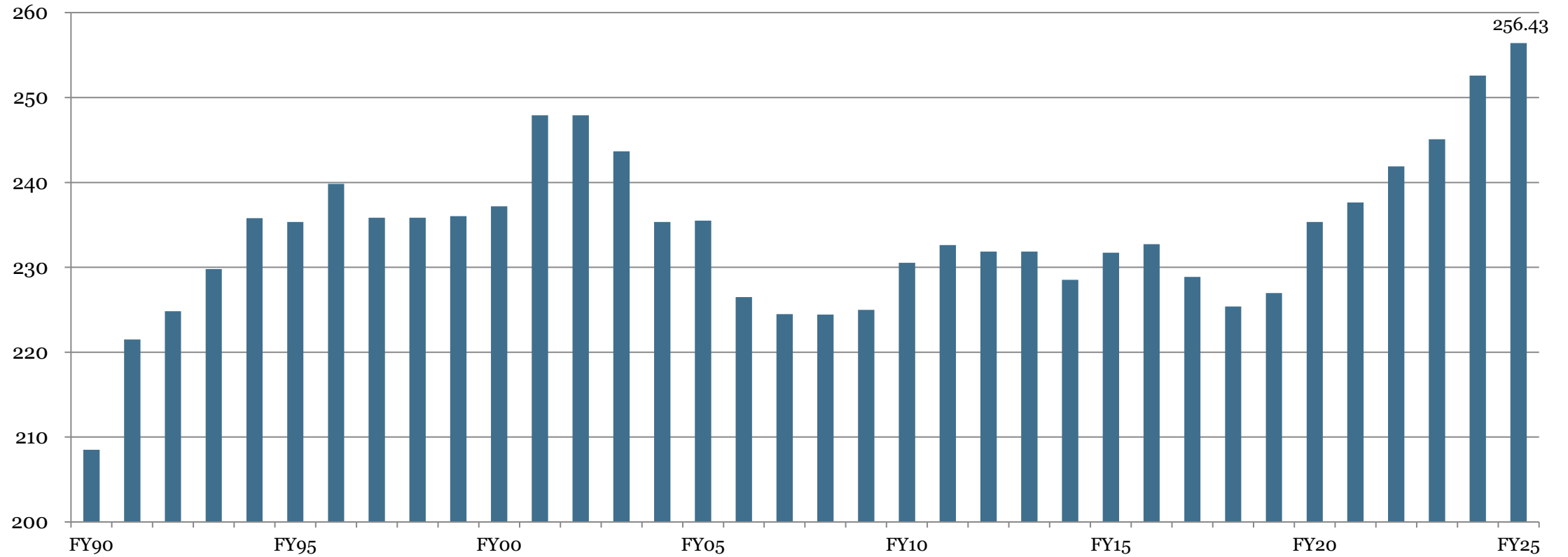
Operating Budget-to-Actuals FY 2020 - FY 2025



*FY 2024 figures are projected as of 12/31/2023.

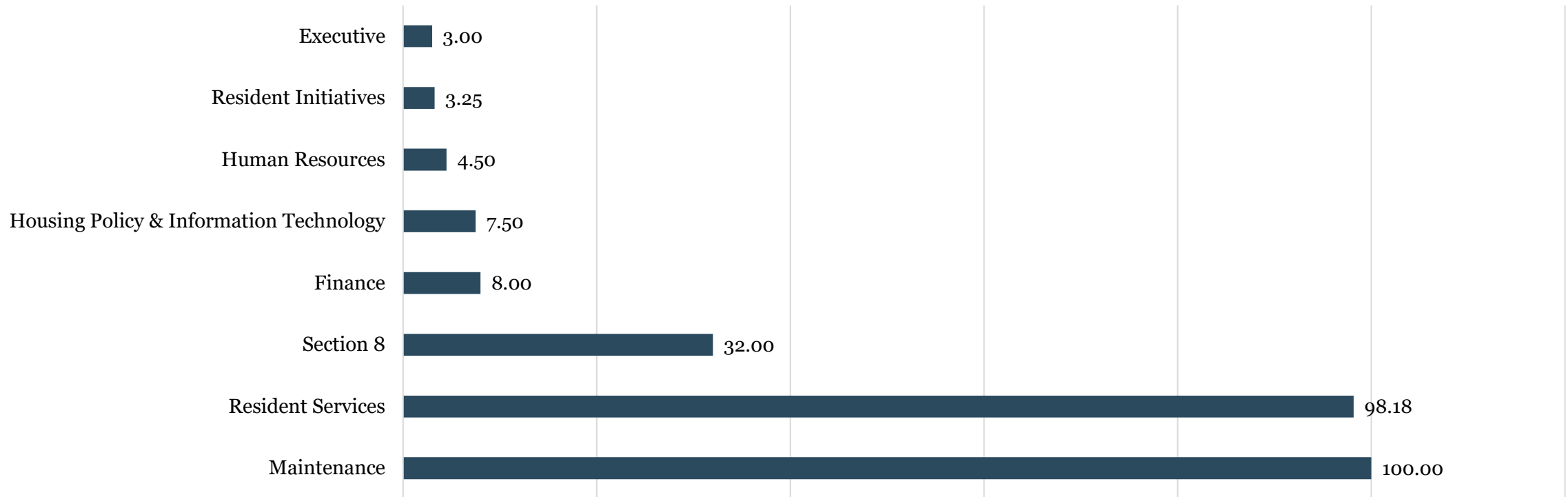
FTE History

Budgeted FTEs



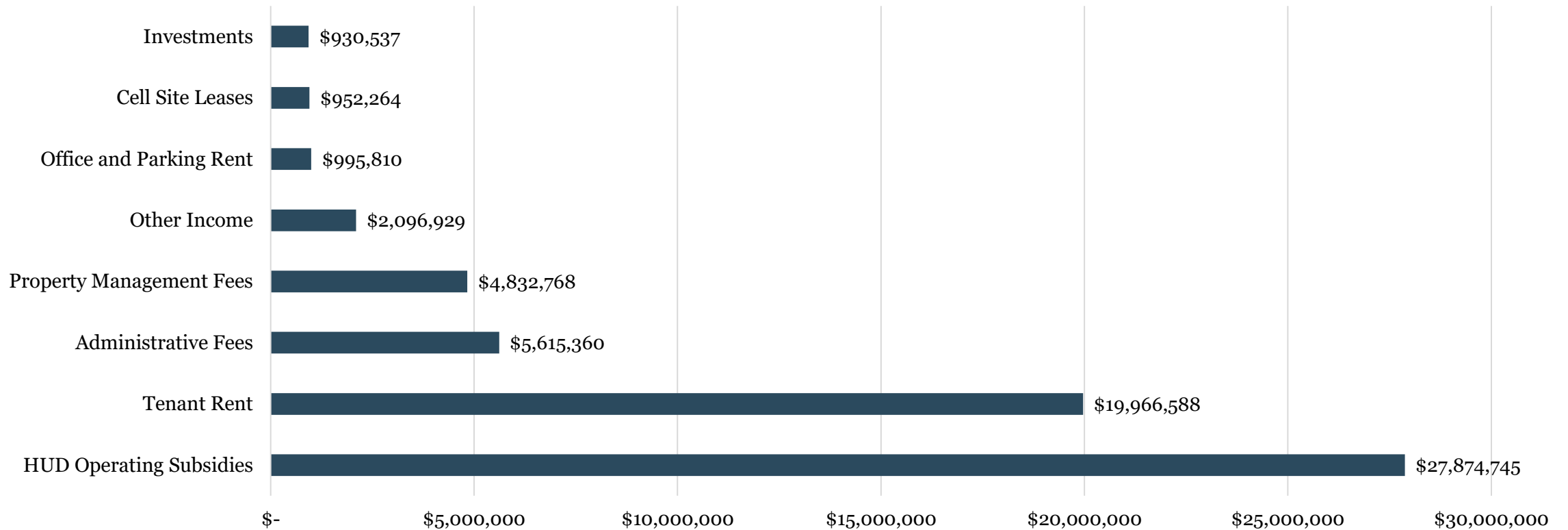
FTE by Department

**FTE by Department
FY 2025 Budget**



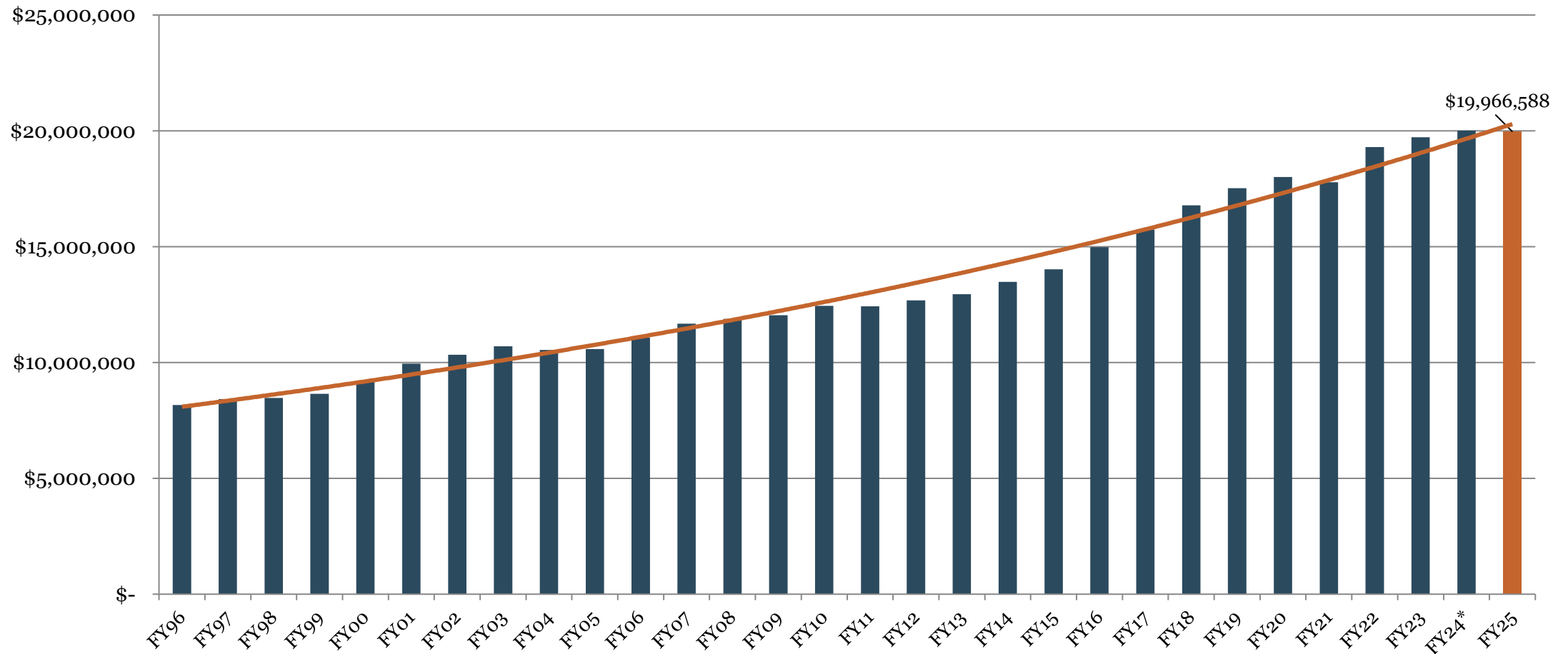
Operating Income

Operating Income Sources FY 2025 Budget



Operating Income Sources

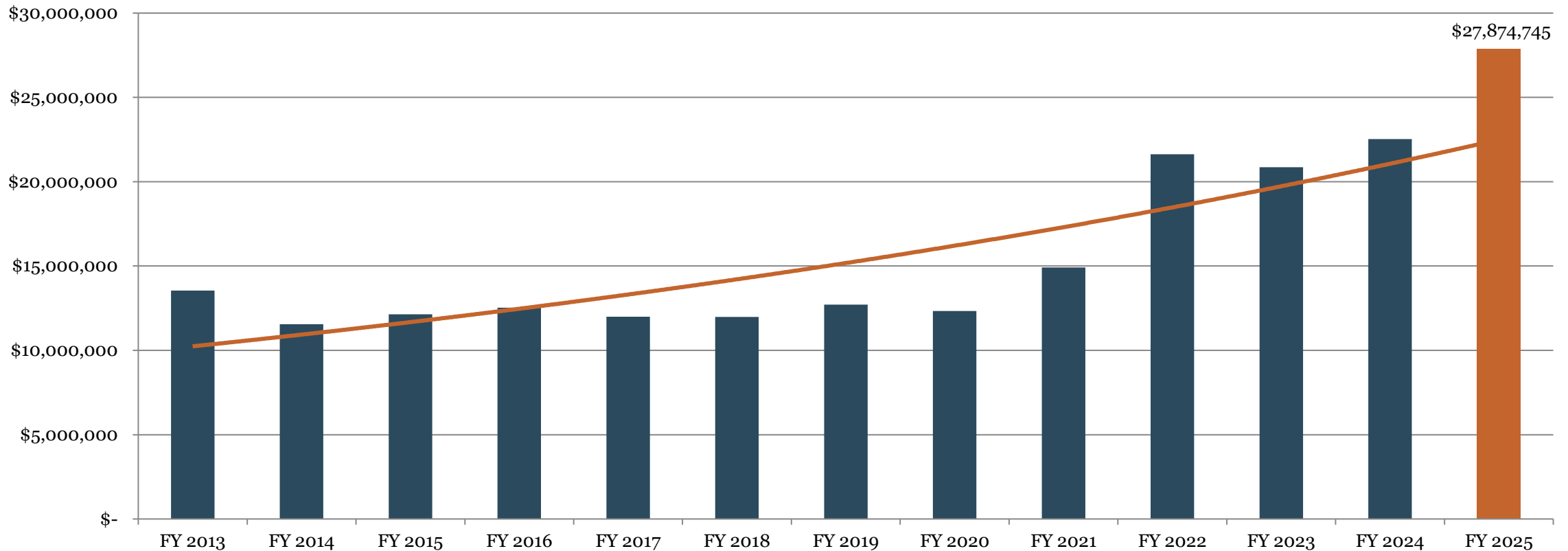
Tenant Dwelling Rental Income



*FY 2024 figures are projected as of 12/31/2023

Operating Income Sources

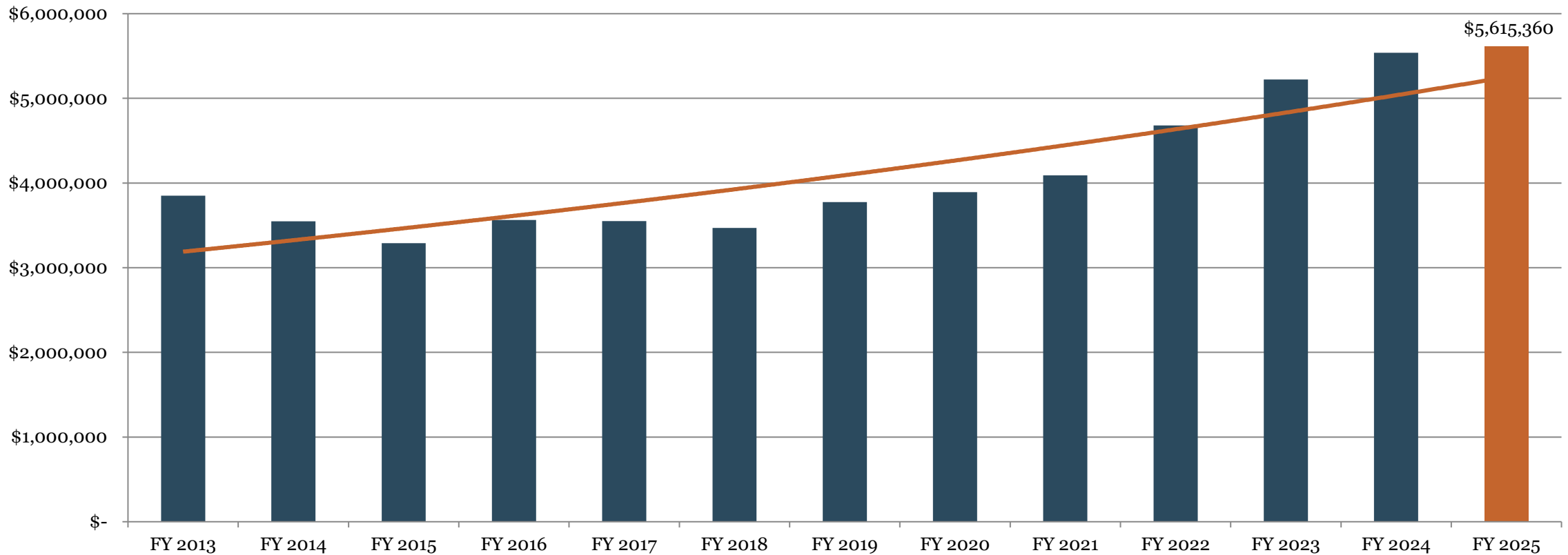
HUD Subsidy



*FY 2024 figures are projected as of 12/31/2023

Operating Income Sources

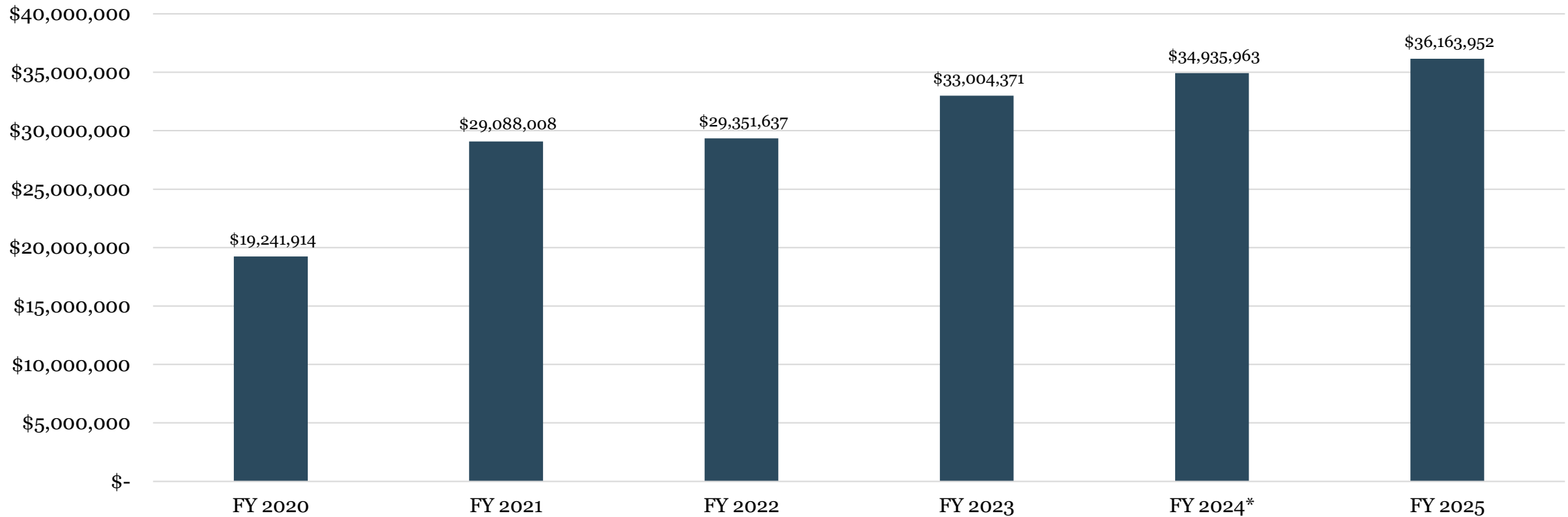
HCV Admin Fees



*FY 2024 figures are projected as of 12/31/2023

Operating Reserves

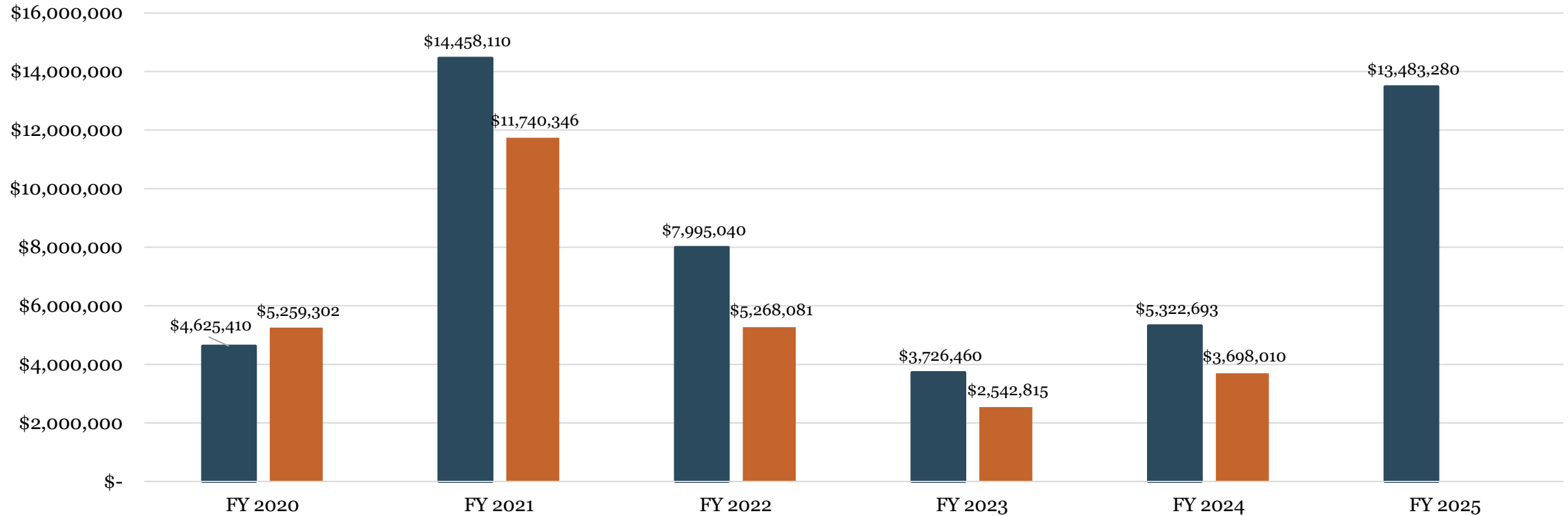
Operating Reserves
FY 2020 - FY 2025



*FY 2024 figures are projected as of 12/31/2023

Capital Improvements

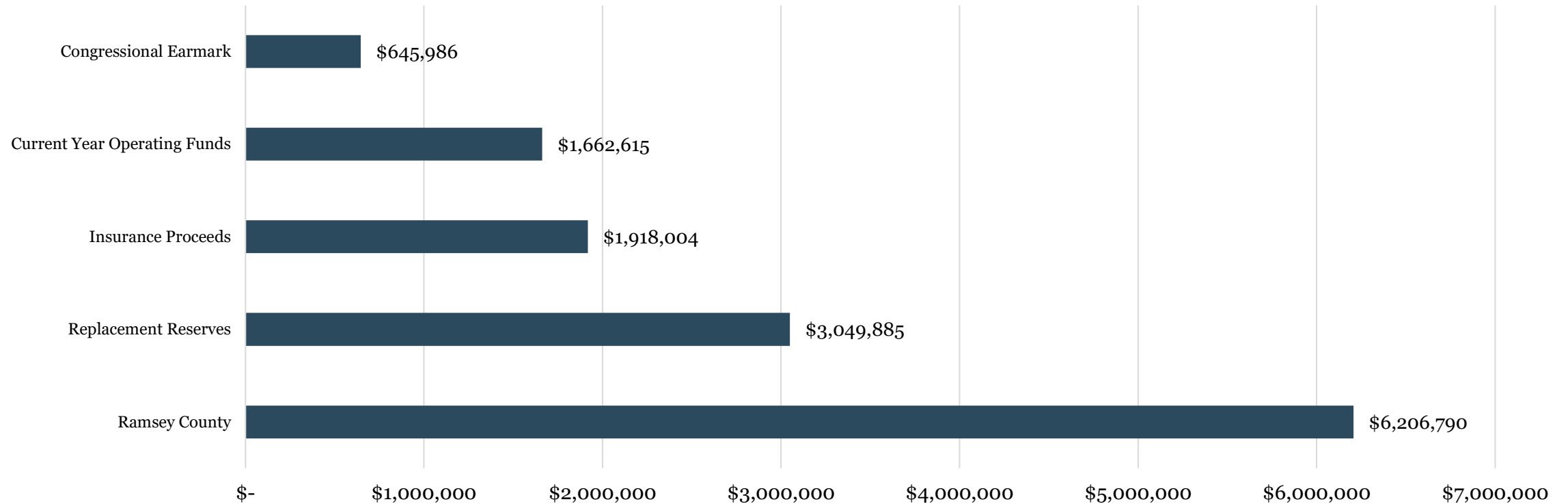
Capital Improvement Budget-to-Actuals FY 2020 - FY 2025



*FY 2024 figures are projected as of 12/31/2023

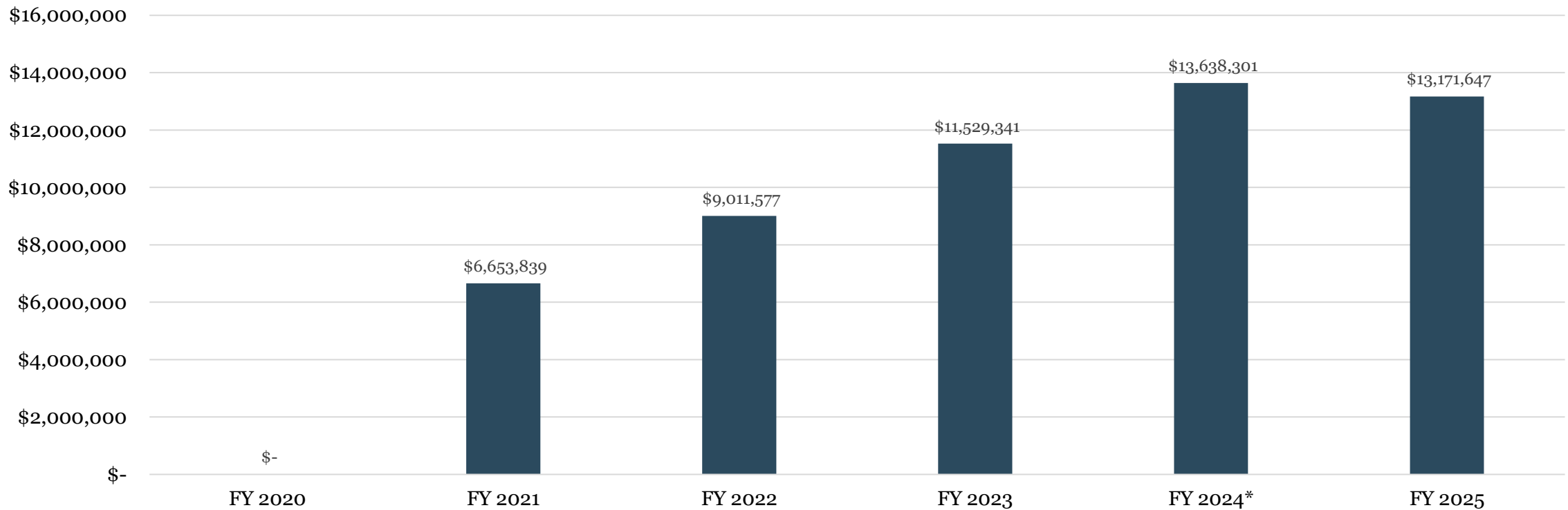
Capital Improvements

Capital Improvement Funding Sources FY 2025 Budget



Replacement Reserves

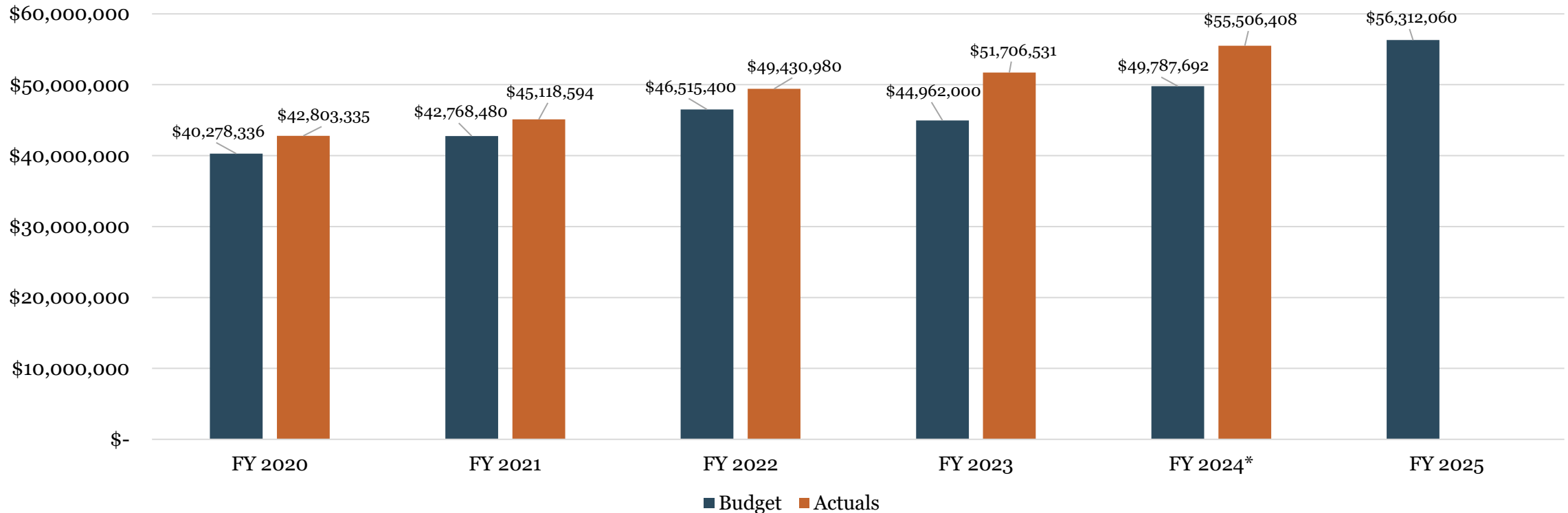
Replacement Reserves FY 2020 - FY 2025



*FY 2024 figures are projected as of 12/31/2023

Housing Assistance Payments

Housing Assistance Payments FY 2025 Budget



*FY 2024 figures are projected as of 12/31/2023



PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Low Income Public Housing (LIPH)
Operating Budget for Scattered Sites (AMP 9);
Fiscal Year Ending March 31, 2025 (FY 2025)

DATE March 13, 2024

Staff recommends the Board adopt Resolution No. 24-03/13-01 approving the proposed Fiscal Year 2025 Low Income Public Housing (LIPH) Operating Budget for the 418 scattered sites. Revenues are projected at \$6,042,213 and the proposed expense budget totals \$5,120,375, which would result in a contribution to reserves of \$921,838 at the end of FY 2025. Added to the estimated \$1,787,770 of reserves at the end of FY 2024, the reserves would be \$2,709,608 at the end of FY 2025.

LOW INCOME PUBLIC HOUSING – AMP 9 SCATTERED SITES/DUPLEXES.

The 418 LIPH units remaining after the RAD conversion include 360 single-family homes and standalone duplexes located throughout the City of St. Paul, plus 58 units in two duplex developments known as the West Side Duplexes¹ and the Central Duplexes.² All of those units were merged into a single public housing development (a “project” in HUD’s terminology) identified as Asset Management Project #9 (AMP 9) in HUD’s PIC (PIH Information Center) system.

SCATTERED SITE MANAGEMENT TEAM. When the rest of the PHA’s public housing portfolio converted to Project-Based Rental Assistance (PBRA) effective January 1, 2020, the

¹ 16 units at the intersection of Curtice and Livingston Streets on St. Paul’s West Side

² 42 units in clusters in the Summit-University neighborhood

Scattered Site Management Team located at Central Hi-Rise began providing all management services to the scattered sites. The staff there focus solely on Public Housing needs, policies and compliance, so they can provide consistent and more efficient services to their residents. This model has continued since conversion and has proven to be effective in providing excellent service to the scattered site residents and properties.

OVERVIEW: PROPOSED LIPH PUBLIC HOUSING OPERATING BUDGET

The proposed FY 2025 LIPH Operating Budget is based on an Operating Fund subsidy from HUD of \$931,981, the same as the previous year, after an estimated reduction of 12.56% due to “proration” (because of insufficient Congressional appropriations). This is based on guidance from HUD, and the current proration levels being applied to the monthly subsidy payments the PHA is receiving. The estimated FY 2025 operating subsidy of \$931,981 would be \$253,942 (37.5%) higher than the budgeted FY 2024 subsidy amount of \$678,039. In fact, the operating subsidy received by the end of FY 2024 (March 31, 2024) is now estimated to be \$1,203,439, much higher than the budgeted amount.³ As a result, the PHA may receive a lower operating subsidy in the coming fiscal year, than in the fiscal year just ending.

Additionally, this budget anticipates spending \$2,070,024 of operating subsidy received as “shortfall funding” from HUD in June 2021.⁴ Staff is recommending using this funding to

³ Operating subsidy eligibility for Public Housing is published on a calendar year basis. When staff prepared the FY 2024 operating budget early in 2023, the total amount of operating subsidy eligibility for calendar year 2023 was not yet known. Therefore, staff estimated the operating subsidy for the PHA’s FY 2024 based on operating subsidy eligibility in calendar year 2022, which was \$678,039. In February 2024 HUD released new operating subsidy eligibility amounts for Calendar Year 2024 and staff based this budget on that information. That amount may change after Congress passes a final appropriations bill for FFY 2024.

⁴ The 2021 Consolidated Appropriations Act provided \$25 million in set-aside funds to assist PHAs “that experience, or are at risk of, financial shortfalls” (HUD Notice 2021-12). HUD calculated the PHA’s

remodel and upgrade scattered site units, as described below (Maintenance; materials and contracting costs). Staff's recommendation for spending any remaining shortfall funding (estimated to be approximately \$700,000) will be included in the FY 2026 budget for AMP 9. All shortfall funding must be expended by December 31, 2025.

HUD rules allow some funds to be transferred from the PHA's Capital Fund (CFP) grant to the LIPH Operating budget for FY 2025, and the PHA has done that in past years. Staff are not recommending such a transfer this year, because the regular HUD Operating Fund Program grant plus the "shortfall" funding grant are sufficient to cover anticipated LIPH operating expenditures.⁵

As stated above, the proposed FY 2025 LIPH Operating Budget projects a contribution to reserves of \$921,838 (Column E, Line #47) at the end of the fiscal year. For FY 2024, staff estimate there may be a year-end contribution to reserves of \$824,192 (Column C, Line #47). This would result in an estimated ending reserve balance for FY 2024 of \$1,787,770 (Column C, Line #52). With the projected contribution to reserves in the proposed FY 2025 Operating Budget, the operating reserve balance at the end of FY 2025 would be approximately \$2,709,608 (Column E, Line #52) or 6.36 months routine operating expenses (Column E, Line #57).

eligibility based on the full pre-RAD LIPH portfolio of 4,273 units, so staff submitted an application to HUD for \$3,457,763 "shortfall funding", which was approved. However, the funds can only be spent on the remaining 418 LIPH units in AMP 9.

⁵ HUD regulations allow up to 25% of each yearly Capital Fund Program (CFP) grant to be used for operations. Prior years' budgets transferred the full 25% of the respective CFP grants to the Operating Budgets for AMP 9. This practice will be revisited once shortfall funding has been expended.

In addition to providing a solid foundation for the PHA's LIPH program, staff believe this budget will maintain the Agency's high score on the financial condition component of PHAS (HUD's Public Housing Assessment System).

PROPOSED REVENUE:

The proposed FY 2025 LIPH Operating Budget projects LIPH operating revenues of \$6,042,213, an increase of \$800,297 (15.3%) from the \$5,241,916 approved by the Board for the FY 2024 budget. Details (Column E) are as follows:

1. Dwelling Rental Income (Line #1) for FY 2025 is projected to increase from \$2,784,996 to \$2,940,208, or \$155,212 (5.6%). This increase is based on a three-year average of tenant rents collected at AMP 9 units, and factors in the higher-than-budgeted projected revenue collection in FY 2024.
2. Investments (Line #3) is projected to increase from \$0 in FY 2024 to \$50,000 in FY 2025. AMP 9 reserves are invested in government-backed securities in accordance with the Agency's investment policy and are anticipated to yield market returns.
3. Other Income (Line #4) is projected to stay at \$50,000, the same as in FY 2024. Other Income is primarily sales and service charges to tenants.
4. HUD Subsidy (Line #11) is projected to increase from \$2,406,921 to \$3,002,005, a 24.7% increase in FY 2025. This is due to an anticipated higher level of operating subsidy compared to what was budgeted in the prior year (explained in Footnote 3 above), as well as continued drawdowns of both the first and second tranches of shortfall funding subsidy provided by HUD in 2021.

PROPOSED EXPENDITURES:

The proposed FY 2025 Operating Budget shows total operating expenditures of \$5,120,375, an increase of \$327,233 (6.8%) from the approved FY 2024 budget of \$4,793,142 (Line #46,

Columns B and F). The large increase is based on staff's recommendation to remodel, renovate, and upgrade scattered site units, which is made possible by the extra "shortfall" funding the Agency received last year.

The proposed changes are highlighted below:

1. Administrative costs are proposed to increase overall by \$209,789 (18.8%) from \$1,116,299 to \$1,326,088. Significant changes within this category are:
 - a. Administrative Salaries (Line #12) are projected to increase by \$210,360 (40.7%) from \$516,470 to \$726,830, due to staff increases and increases in staff costs attributable to AMP 9.
 - b. Legal Expenses (Line #13) are projected to increase by \$1,115 (2.5%) from \$44,625 to \$45,740 in FY 2025, primarily due to an anticipated increase in the cost of the Agency's legal services contract with the City of Saint Paul.
 - c. Staff Training (Line #14) is projected to increase by \$4,700 (151.2%) from \$3,108 to \$7,808. This is mainly due to additional training courses being requested for Resident Services staff in FY 2025 (i.e., NSPIRE, HOTMA).
 - d. Rent (Line #17) is projected to remain at \$12,700. Allocated rent costs include rent payable to the Building Fund due to the first floor Rental Office at the CAO. Additionally, the Scattered Site Management Team's office space is located at Central Hi-Rise, which is now a RAD-PBRA property. As such LIPH leases the space from RAD-PBRA.
 - e. Administrative Sundry Expenses (Line #18) are projected to decrease by \$4,515 (-7.3%) from \$61,460 to \$56,944. These costs include phones, office supplies, office equipment repairs, postage, printing and other miscellaneous costs.
 - f. Property Management Fees (Line #19), Bookkeeping Fees (Line #20) and Asset Management Fees (Line #21) are projected to remain the same at \$467,040. Property management fees are authorized by HUD at \$75.61 per unit, along with bookkeeping fees of \$7.50 per unit and asset management fees of \$10 per unit. These are fees paid by the LIPH program to the COCC (Central Office Cost Center), as permitted by HUD's Asset Management rules. (24 CFR Part 990).

2. Tenant Services costs are proposed to increase by \$17,349 (22.1%) as follows:
 - a. Salaries (Line #22) are projected to increase by \$20,280 (31.5%) from \$64,330 to \$84,610. This increase is due to staff increases and increases in staff costs attributable to AMP 9.
 - b. Other (Line #23) are proposed to decrease by \$1,031 (-10.1%) from \$10,174 to \$9,143.
 - c. Contract Expenses (Line #24) are proposed to decrease by \$1,900 (-46.3%) from \$4,100 to \$2,200.

3. Utilities costs (Lines #25-#31) are projected to increase by \$61,190 (16.7%) compared to the FY 2024 budget, from \$367,350 to \$428,540.
 - a. Water and Sewer costs (Line #25) are projected to increase by \$76,960 (22.5%), from \$341,500 to \$418,460. This is primarily due to re-alignment of water and sewer utilities costs to more accurately reflect costs attributable to AMP 9.
 - b. Electricity costs (Line #26) are projected to decrease by \$4,010, from \$4,300 to \$290 (-93.3%). The only expenses charged to this line are vacant unit costs.
 - c. Natural Gas costs (Line #27) are projected to decrease by \$6,400, from \$7,400 to \$1,000 (-46.3%). The only expenses charged to this line are vacant unit costs.
 - d. Engineer Labor costs (Line #29) are projected to decrease by \$5,360 (-37.9%) from \$14,150 to \$8,790. This is due to a decrease in engineer labor costs attributable to AMP 9.

4. Maintenance costs are proposed as follows:
 - a. Maintenance Salaries (Line #32) are projected to increase by \$113,690 (23.7%), from \$480,250 to \$593,940, due to annual staff salary increases and increases in staff costs attributable to AMP 9. Maintenance salaries are allocated to projects based on an allocation model that uses a historic average of work orders at each project. Work orders increased at AMP 9 in the prior year, leading to more Maintenance staff salary being allocated to the project.
 - b. Materials Costs (Line #33) are recommended to decrease by \$167,632 (-48.1%), going from \$348,497 in FY 2024 to \$180,865 in FY 2025. Material costs include paying remodeling and upgrade costs at scattered site units. Proposed work includes

- vacant unit remodeling, as well as improvements to roofs, windows, driveways, concrete replacements, and other site repair work to draw down shortfall funding.
- c. Contract Costs (Line #34) are projected to decrease by \$37,724 (-2.2%) from \$1,704,412 to \$1,666,688. Similar to the materials budget, the contract budget includes the contracting costs for remodeling and upgrading scattered site units.
5. Protective Services (Line #35) remain budgeted at \$0 in FY 2025, consistent with the prior year. Staff have determined that it is not necessary to pay for police services in addition to those already provided by the City of Saint Paul.
 6. General Expenses (Lines #36-#43) are proposed to increase by \$129,890 (18.8%).
 - a. Insurance costs (Line #36) are projected to increase by \$8,148 (5.3%) from \$152,619 to \$160,767. Budgeted insurance costs are based on actual and estimated policy premiums for 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 #37) are projected to increase by \$2,823 (3.1%) from \$91,930 to \$94,753, due to increased assessment fees paid to the City of Saint Paul.
 - c. Terminal Leave Payments (Line #38) are projected to decrease by \$15,068 (-48.0%) from \$31,373 to \$16,305 in FY 2025. Budgeted terminal leave payments are based on rolling three-year average amounts paid to employees upon retirement.
 - d. Other Post-Employment Benefits (OPEB, Line #39) are projected to decrease \$4,850 (-20.7%) from \$23,457 to \$18,607. 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 #40) are projected to increase by \$123,769 (34.3%) from \$360,700 to \$484,469. Budgeted benefit contributions are directly related to budgeted salary, and budgeted salaries are increasing in AMP 9 primarily due to re-alignment of staff salaries to more accurately represent the expenses for AMP 9.
 - f. Collection Loss Expense (Line #41) is projected to increase by \$15,068 (51.4%) from \$29,340 to \$44,408. 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. The Agency's collection rate has historically been well over 99%. However, as noted in recent Board reports the collection loss amount increased in FY 2024 due to a higher volume of eviction actions. Staff believe that collection loss may stabilize at levels higher than historical levels, leading to higher rental revenue amounts being written off.

7. Casualty Loss expenses (Line #45) are budgeted at \$8,992 in FY 2025. These costs are dedicated to cover casualty losses, which at scattered sites are typically related to storm damage.

SUMMARY:

The FY 2025 Low Income Public Housing Operating Budget provides the spending blueprint to implement established Agency Goals. The headlines for Income, Expenses and Reserves this year include the following:

- a. **Income:** Due to increases in HUD subsidy and planned drawdown on shortfall funding, proposed revenues are budgeted at \$6,042,213.
- b. **Expenses:** The budget proposes a total projected expense level of \$5,120,375, below projected revenues.
- c. **Reserves:** Column E, Line #52 projects FY 2025 year-end reserves (Restricted Net Position) at \$2,709,608 or approximately 6.36 months of routine expenses (Line #57).

Staff believes this proposed LIPH Budget will further the Agency's mission by providing needed housing and services to residents while preserving the physical assets and maintaining the financial stability of the PHA.

WW/

Attachments:

1. Resolution No. 24-03/13-01; HUD-52574
2. FY 2025 Proposed LIPH Operating Budget
3. Rental Income History and Bar Graph
4. Salary Position Summary – AMP 9
5. PHA Operating Budget Structure – FY 2025 AMP 9 Operating Budget

PHA Board Resolution
Approving Operating Budget

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 07/31/2019)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Public Housing Agency of the City of Saint Paul

PHA Code: MN001

PHA Fiscal Year Beginning: 4/1/2024

Board Resolution Number: 24-03/13-01

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- Operating Budget approved by Board resolution on:
- Operating Budget submitted to HUD, if applicable, on:
- Operating Budget revision approved by Board resolution on:
- Operating Budget revision submitted to HUD, if applicable, on:

03/13/2024

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Missy Staples Thompson	Signature:	Date: 03/13/2024
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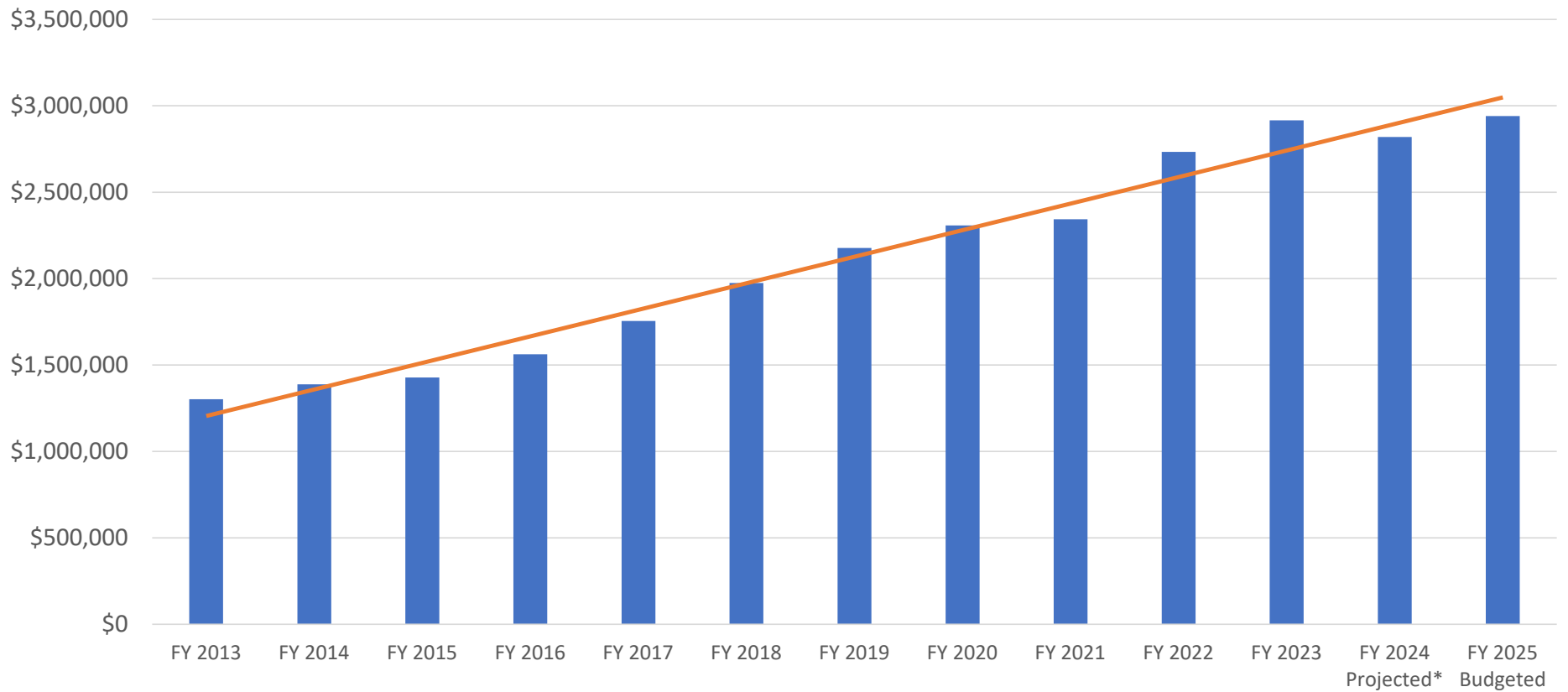
**Low Income Public Housing - AMP 9 - Scattered Sites/Duplexes
Proposed Income and Expense Budget (Comparative)
For the Fiscal Year Ending March 31, 2025**

	FY 21 Actual Activity	FY 22 Actual Activity	FY 23 Actual Activity	(B) FY 24 Budget Approved	FY 24 Budgeted PUM	(A) 12/31/2023 Activity	(C) FY 24 Activity Projected	(D) FY 24 Budget to Projected Variance (C - B)	(E) FY 25 Budget Proposed	FY 25 Proposed PUM	(F) FY24 Approved to FY25 Proposed Variance (E - B) \$ %	
INCOME												
1) Tenant Rent	\$ 2,343,454	\$ 2,733,722	\$ 2,915,279	\$ 2,784,996	555.22	\$ 2,114,615	\$ 2,819,486	\$ 34,491	\$ 2,940,208	586.17	\$ 155,212	5.6%
2) Tenant Other	-	-	-	-	-	-	-	-	-	-	-	N/A
3) Investments	(1,494)	(379)	(871)	-	-	-	21,763	21,763	50,000	9.97	50,000	N/A
4) Other Income	105,196	92,565	73,663	50,000	9.97	65,639	87,519	37,519	50,000	9.97	-	0.0%
5) Capital Asset Disposition	-	-	-	-	-	-	-	-	-	-	-	N/A
6) Property Management Fees	-	-	-	-	-	-	-	-	-	-	-	N/A
7) Bookkeeping Fees	-	-	-	-	-	-	-	-	-	-	-	N/A
8) Asset Management Fees	-	-	-	-	-	-	-	-	-	-	-	N/A
9) Recertification Fees	-	-	-	-	-	-	-	-	-	-	-	N/A
10) CFP Transfer to Operations	-	303,070	303,070	-	-	-	-	-	-	-	-	N/A
11) HUD Subsidy	899,718	882,655	663,815	2,406,921	479.85	1,744,922	2,326,563	(80,358)	3,002,005	598.49	595,085	24.7%
TOTAL INCOME	\$ 3,346,874	\$ 4,011,633	\$ 3,954,956	\$ 5,241,916	1,045.04	\$ 3,925,176	\$ 5,255,331	\$ 13,414	\$ 6,042,213	\$ 1,204.60	\$ 800,297	15.3%
ADMINISTRATIVE												
12) Salaries	\$ 382,356	\$ 573,123	\$ 605,169	\$ 516,470	102.96	\$ 413,074	\$ 550,765	\$ 34,295	\$ 726,830	144.90	\$ 210,360	40.7%
13) Legal	-	-	-	44,625	8.90	33,563	44,750	125	45,740	9.12	1,115	2.5%
14) Staff Training	233	738	1,855	3,108	0.62	1,837	2,450	(658)	7,808	1.56	4,700	151.2%
15) Staff Travel	3,083	-	-	6,250	1.25	-	-	(6,250)	4,000	0.80	(2,250)	-36.0%
16) Audit Fees	4,367	4,697	5,346	4,647	0.93	3,904	5,205	559	5,026	1.00	379	8.2%
17) Rent	5,870	5,870	5,870	12,700	2.53	-	-	(12,700)	12,700	2.53	-	0.0%
18) Administrative Sundry	38,805	38,362	43,460	61,460	12.25	33,601	44,801	(16,659)	56,944	11.35	(4,516)	-7.3%
19) Property Management Fees	342,233	348,759	362,225	379,260	75.61	245,203	379,260	(0)	379,260	75.61	0	0.0%
20) Bookkeeping Fees	37,253	36,833	36,660	37,620	7.50	24,323	37,620	-	37,620	7.50	-	0.0%
21) Asset Management Fees	50,160	50,160	50,160	50,160	10.00	33,440	50,160	(0)	50,160	10.00	-	0.0%
TOTAL ADMINISTRATIVE	\$ 864,359	\$ 1,058,541	\$ 1,110,745	\$ 1,116,299	222.55	\$ 788,944	\$ 1,115,011	\$ (1,289)	\$ 1,326,088	264.37	\$ 209,789	18.8%
TENANT SERVICES												
22) Salaries	\$ 55,338	\$ 62,589	\$ 64,117	\$ 64,330	12.82	\$ 48,483	\$ 64,644	\$ 314	\$ 84,610	16.87	\$ 20,280	31.5%
23) Other	1,543	1,806	-	10,174	2.03	456	608	(9,566)	9,143	1.82	(1,031)	-10.1%
24) Contracts	17,171	6,515	5,462	4,100	0.82	-	-	(4,100)	2,200	0.44	(1,900)	-46.3%
TOTAL TENANT SERVICES	\$ 74,052	\$ 70,911	\$ 69,579	\$ 78,604	15.67	\$ 48,939	\$ 65,252	\$ (13,352)	\$ 95,953	19.13	\$ 17,349	22.1%
UTILITIES												
25) Water & Sewer	\$ 445,160	\$ 448,281	\$ 419,146	\$ 341,500	68.08	\$ 281,631	\$ 375,508	\$ 34,008	\$ 418,460	83.43	\$ 76,960	22.5%
26) Electricity	2,095	1,796	5,578	4,300	0.86	479	638	(3,662)	290	0.06	(4,010)	-93.3%
27) Gas	26	-	13,476	7,400	1.48	1,439	1,918	(5,482)	1,000	0.20	(6,400)	-86.5%
28) Fuel Oil	-	-	-	-	-	-	-	-	-	-	-	N/A
29) Engineers Labor	-	7,168	8,942	14,150	2.82	6,402	8,536	(5,614)	8,790	1.75	(5,360)	-37.9%
30) District Energy	-	-	-	-	-	-	-	-	-	-	-	N/A
31) Other Utilities	8,606	18,595	21	-	-	10,358	13,811	13,811	-	-	-	N/A
TOTAL UTILITIES	\$ 455,887	\$ 475,841	\$ 447,163	\$ 367,350	73.24	\$ 300,309	\$ 400,412	\$ 33,062	\$ 428,540	85.44	\$ 61,190	16.7%
ORDINARY MAINTENANCE												
32) Salaries	\$ 287,506	\$ 400,338	\$ 714,651	\$ 480,250	95.74	\$ 368,624	\$ 491,499	\$ 11,249	\$ 593,940	118.41	\$ 113,690	23.7%
33) Materials	27,567	59,458	94,380	348,497	69.48	100,929	134,572	(213,925)	180,865	36.06	(167,632)	-48.1%
34) Contracts	272,170	723,835	1,028,973	1,704,412	339.80	1,043,660	1,391,547	(312,865)	1,666,688	332.27	(37,724)	-2.2%
TOTAL ORDINARY MAINTENANCE	\$ 587,243	\$ 1,183,632	\$ 1,838,004	\$ 2,533,159	505.02	\$ 1,513,213	\$ 2,017,618	\$ (515,541)	\$ 2,441,493	486.74	\$ (91,666)	-3.6%
PROTECTIVE SERVICES												
35) Protective Services	\$ 195	\$ -	\$ 212	\$ -	-	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
TOTAL PROTECTIVE SERVICES	\$ 195	\$ -	\$ 212	\$ -	-	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
GENERAL												
36) Insurance	\$ 117,248	\$ 155,137	\$ 159,902	\$ 152,619	30.43	\$ 111,704	\$ 148,939	\$ (3,680)	\$ 160,767	32.05	\$ 8,148	5.3%
37) PILOT	168,995	194,199	201,063	91,930	18.33	217,379	289,839	197,909	94,753	18.89	2,823	3.1%
38) Terminal Leave Payments	2,095	2,284	-	31,373	6.25	3,562	4,749	(26,623)	16,305	3.25	(15,068)	-48.0%
39) Other Post Employment Benefits	(8,213)	3,708	-	23,457	4.68	-	-	(23,457)	18,607	3.71	(4,850)	-20.7%
40) Employee Benefits	302,959	405,436	501,928	360,700	71.91	279,510	372,679	11,979	484,469	96.58	123,769	34.3%
41) Collection Losses	(17,338)	(2,704)	52,178	29,340	5.85	3,708	4,944	(24,396)	44,408	8.85	15,068	51.4%
42) Other General Expenses	75,485	-	844	-	-	-	-	-	-	-	-	N/A
TOTAL GENERAL	\$ 641,231	\$ 762,850	\$ 915,915	\$ 689,419	137.45	\$ 615,863	\$ 821,150	\$ 131,731	\$ 819,309	163.33	\$ 129,890	18.8%
43) TOTAL ROUTINE EXPENSES	\$ 2,622,967	\$ 3,551,775	\$ 4,381,618	\$ 4,784,832	953.93	\$ 3,267,268	\$ 4,419,443	\$ (365,389)	\$ 5,111,383	\$ 1,019.01	\$ 326,551	6.8%

**Low Income Public Housing - AMP 9 - Scattered Sites/Duplexes
Proposed Income and Expense Budget (Comparative)
For the Fiscal Year Ending March 31, 2025**

		FY 21 Actual Activity	FY 22 Actual Activity	FY 23 Actual Activity	(B) FY 24 Budget Approved	FY 24 Budgeted PUM	(A) 12/31/2023 Activity	(C) FY 24 Activity Projected	(D) FY 24 Budget to Projected Variance (C - B)	(E) FY 25 Budget Proposed	FY 25 Proposed PUM	(F) FY24 Approved to FY25 Proposed Variance (E - B)	
												\$	%
NON-CAPITAL NON-ROUTINE													
44)	Extraordinary Maintenance												
45)	Casualty Losses	7,451	40,887	4,398	8,310	1.66	8,772	\$ 11,696	\$ 3,386	8,992	1.79	\$ 682	8.2%
	Project Cash Transfer (In)/Out												
	TOTAL NON-CAPITAL NON-ROUTINE	\$ 7,451	\$ 40,887	\$ 4,398	\$ 8,310	1.66	\$ 8,772	\$ 11,696	\$ 3,386	\$ 8,992	\$ 1.79	\$ 682	8.2%
46)	TOTAL OPERATING EXPENSES	\$ 2,630,418	\$ 3,592,662	\$ 4,386,016	\$ 4,793,142	955.59	\$ 3,276,040	\$ 4,431,139	\$ (362,003)	\$ 5,120,375	\$ 1,020.80	\$ 327,233	6.8%
47)	NET INCOME (LOSS) FROM OPERATIONS	\$ 716,456	\$ 418,971	\$ (431,060)	\$ 448,775	89.45	\$ 649,136	\$ 824,192		\$ 921,838		\$ 473,063	105.4%
CAPITAL NON-ROUTINE (flows through depreciation)													
49)	Replacement of Equipment				\$ -	-		\$ -	\$ -	\$ -		\$ -	N/A
50)	Betterments and Additions												N/A
	TOTAL CAPITAL NON-ROUTINE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	N/A
NET POSITION ACTIVITY													
PRIOR YEAR													
	NET INVESTMENT IN CAPITAL ASSETS (W/O WIP)	\$ 13,997,604	\$ 13,231,336	\$ 12,501,535	\$ 11,833,053			\$ 11,833,053		\$ 11,060,937		\$ 1,787,770	
	RESTRICTED NET POSITION	259,210	975,666	1,394,637	963,578			963,578					
	TOTAL PRIOR YEAR NET POSITION ACTUAL / PROPOSED	\$ 14,256,814	\$ 14,207,002	\$ 13,896,172	\$ 12,796,630			\$ 12,796,630		\$ 12,848,706			
54)	CFP CAPITAL ASSET CONTRIBUTION ACTUAL / ESTIMATED	\$ -											
55)	NON-CFP CAPITAL ASSET ACTIVITY ESTIMATED												
	REPLACEMENT RESERVE ACTIVITY												
	DEPRECIATION EXPENSE	766,268	729,802	668,482	780,000		579,087	772,116		779,837			
CURRENT YEAR PROPOSED													
51)	NET INVESTMENT IN CAPITAL ASSETS (includes Depreciation, RE, BA, CFP contribution less WIP & capital loans)	\$ 13,231,336	\$ 12,501,535	\$ 11,833,053	\$ 11,053,053			\$ 11,060,937		\$ 10,281,099			
52)	RESTRICTED NET POSITION	975,666	1,394,637	963,578	1,412,352			1,787,770		2,709,608			
53)	TOTAL CURRENT YEAR NET POSITION ACTUAL / PROPOSED	\$ 14,207,002	\$ 13,896,172	\$ 12,796,630	\$ 12,465,405			\$ 12,848,706		\$ 12,990,707			
56)	PAYABLE CAPITAL LOANS (MHFA)												
56)	FORGIVABLE CAPITAL LOANS (MHFA)												
56)	CAPITAL LOANS (FHLBDM)												
56)	Operating Subsidy for CFP Activities												
	RESTRICTED NET POSITION	\$ 975,666	\$ 1,394,637	\$ 963,578	\$ 1,412,352			\$ 1,787,770		\$ 2,709,608			
	TOTAL ROUTINE EXPENSES (no Extra-Ordinary Maintenance or Betterment & Additions)	\$ 2,622,967	\$ 3,551,775	\$ 4,381,618	\$ 4,784,832			\$ 4,419,443		\$ 5,111,383			
57)	MONTHS ROUTINE EXPENSES (restricted net position compared to total routine expenses)	4.46	4.71	2.64	3.54			4.85		6.36			

Tenant Dwelling Rental Income
AMP 9
FY 2013 - FY 2025

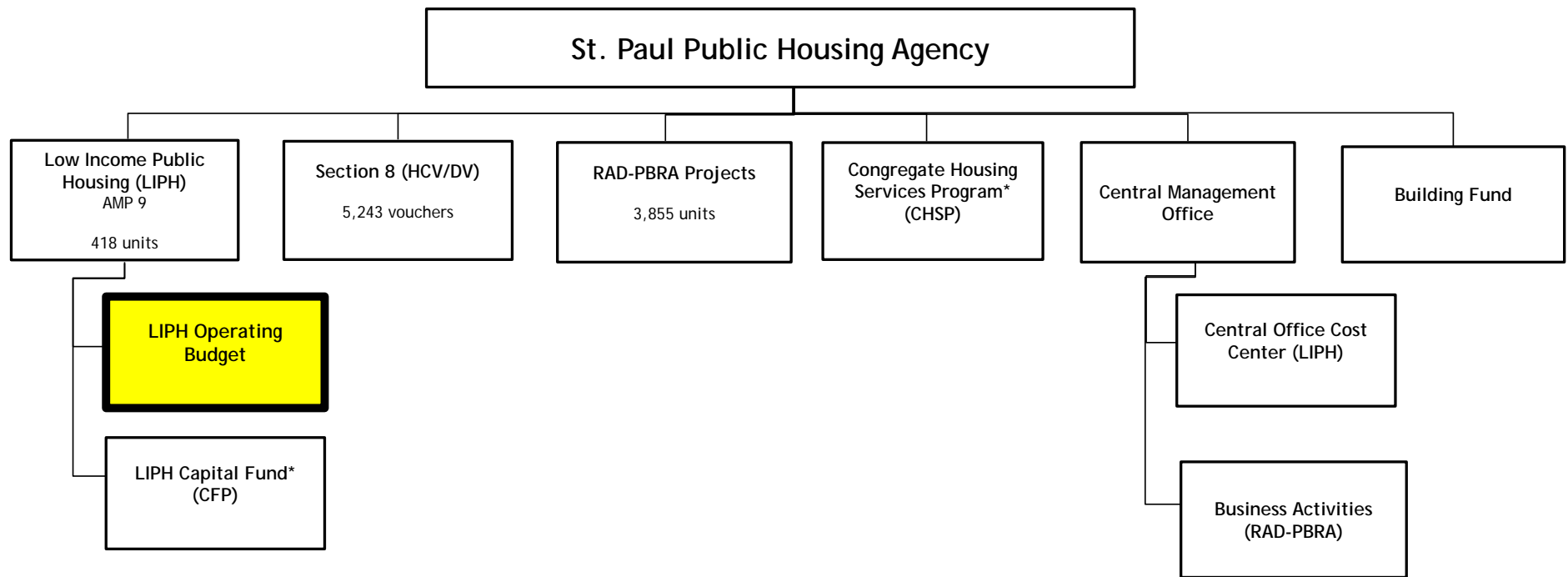


* FY 2024 figures are projected as of 12/31/2023

AMP 9 Salary Position Summary

Position Title	Department	FTE	Salary	AMP 9
Construction Program Manager	Maintenance	0.20	\$22,790	\$1,820
Construction Program Manager	Maintenance	1.00	\$122,370	\$9,850
Construction Program Manager	Maintenance	1.00	\$108,670	\$8,690
Construction Program Manager	Maintenance	1.00	\$112,600	\$9,010
Administrative Support Assistant	Resident Services	0.88	\$47,720	\$4,670
Administrative Support Assistant	Resident Services	1.00	\$50,730	\$4,960
Administrative Support Assistant	Resident Services	1.00	\$54,230	\$5,300
Administrative Support Technician	Resident Services	1.00	\$54,230	\$5,300
Administrative Support Technician	Resident Services	1.00	\$54,230	\$5,300
Administrative Support Technician	Resident Services	1.00	\$54,230	\$54,230
Resident Services Technician	Resident Services	1.00	\$58,080	\$4,830
Resident Services Technician	Resident Services	1.00	\$59,140	\$4,910
Resident Services Technician	Resident Services	1.00	\$59,140	\$4,910
Resident Services Technician	Resident Services	1.00	\$58,080	\$4,830
Resident Services Technician	Resident Services	1.00	\$64,950	\$5,400
Resident Services Technician	Resident Services	1.00	\$53,130	\$53,130
Resident Services Technician	Resident Services	1.00	\$59,140	\$4,910
Resident Services Technician	Resident Services	1.00	\$59,140	\$4,910
Rental Office Specialist	Resident Services	1.00	\$57,560	\$5,630
Rental Office Specialist	Resident Services	1.00	\$67,620	\$6,610
Asst Resident Services Manager	Resident Services	1.00	\$77,580	\$77,580
Asst Resident Services Manager	Resident Services	1.00	\$80,370	\$80,370
Asst Resident Services Manager	Resident Services	1.00	\$80,370	\$80,370
Human Services Coordinator	Resident Services	0.75	\$64,780	\$64,780
Resident Services Supervisor	Resident Services	1.00	\$94,180	\$9,210
Resident Services Supervisor	Resident Services	1.00	\$95,250	\$9,500
Resident Services Supervisor	Resident Services	1.00	\$87,690	\$8,580
Resident Services Manager	Resident Services	1.00	\$99,330	\$99,330
Assistant Controller	Finance	1.00	\$109,830	\$11,250
Resident Services Technician	Resident Services	1.00	\$60,210	\$5,000
Resident Services Technician	Resident Services	1.00	\$60,210	\$5,000

Major Operating Budgets



* Calendar year fiscal year

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Central Office Cost Center Operating
Budget for the Fiscal Year 2025 (FY 2025)
Ending March 31, 2025

DATE March 13, 2024

Staff requests Board approval of the proposed Operating Budget for the Central Office Cost Center (COCC) for Fiscal Year 2025 (FY 2025), ending March 31, 2025. Revenues are projected at \$621,323 and the proposed expense budget totals \$491,619, which would result in a contribution to reserves of \$129,704 at the end of FY 2025. Staff are also recommending transferring \$41,800 from the COCC reserves to the Building Fund. The net result would be increasing the COCC reserves from an estimated \$1,690,557 at the end of FY 2024 to a projected \$1,778,461 at the end of FY 2025.

OVERVIEW: CENTRAL OFFICE COST CENTER

The "Central Office Cost Center" (COCC) is an accounting concept that was introduced when HUD required housing agencies to adopt an "asset management" model for administering the Low Income Public Housing (LIPH) program.¹ The COCC Operating Budget includes "overhead" property management expenses such as Executive, Information Technology, Human Resources and Finance services. These costs are allocated across all programs utilizing a

¹ Prior to our FY 2009, the PHA adopted a single annual operating budget for the entire Public Housing portfolio including the hi-rises, family developments and scattered sites. That unified operating budget included all of the expenses of administering the program, paid out of the collective revenues of all of the Public Housing properties. HUD's model of "Asset management" required PHAs to track the revenues and expenses separately for individual developments (projects) or groups of developments (Asset Management Projects; "AMPS"). The management costs were reimbursed by the projects to the COCC.

primarily unit-based allocation, where costs are budgeted based on the total number of units in each management office category (Section 8/HCV, PBRA, etc.). Staff monitor revenues and expenses closely and make any necessary adjustments to budget projections each year as actual data is accumulated. If revenues or expenditures vary significantly from the projections in the budget, staff will recommend Board approval to revise the budget.

The cost allocations for the Business Activities Fund (which accounts for overhead management expenses for the RAD-PBRA Projects) and the Section 8 Housing Choice Voucher (HCV) programs are included in those budgets and will be presented to the Board separately.

OVERVIEW: PROPOSED CENTRAL OPERATING COST CENTER BUDGET

The FY 2025 COCC Operating Budget is based on revenues comprised of management fees paid from AMP 9 to the COCC, investment interest income, and other income. HUD regulations also allow transferring up to 10% of each yearly Capital Fund Program (CFP) grant to an operating budget to pay costs of administering the CFP grant (management office functions).² This budget proposes utilizing a portion of the allowable authorized amount by transferring those CFP funds to the COCC. The 2023 CFP grant for AMP 9 is \$1,862,871, so up to \$186,287 could be transferred. Staff are recommending transferring \$120,000 from the CFP budget to the COCC Operating Budget. The Central Office Cost Center does not have any other direct revenue sources.

The FY 2025 COCC Operating Budget expenses are primarily salaries, benefits and other administrative expenses needed to provide centralized management support to the housing

² Another 25% of the CFP grant can be used for operating expenses at the public housing project(s), as noted in the Board report on the LIPH AMP 9 Scattered Sites Operating Budget.

assistance programs and other grants administered by the PHA. Staff have undertaken a critical review of all COCC expenses to ensure they are appropriate, necessary, and properly allocated to ensure both fiscal responsibility and adequate oversight and application of program regulations.

Contribution to Reserves. As stated above, the proposed FY 2025 COCC Operating Budget would result in a contribution to operating reserves in the amount of \$129,704 (Column E, Line #51), which would be added to the FY 2024 year-end operating reserve balance which is now estimated to be \$1,690,557 (Column C, Line #58). With that projected contribution to reserves and the recommended transfer of \$41,800 from COCC reserves to the Building Fund (Column E, Line #56) the operating reserve balance (Unrestricted Net Position) at the end of FY 2025 would be approximately \$1,778,461, or 43.41 months of routine expenses.

For FY 2024, the Board-approved budget projected a contribution to reserves of \$94,547 (Column B, Line #51). Instead, staff now are projecting the contribution to reserves by the end of the Fiscal Year will be \$124,152 (Column C, Line #51). This is due to slightly higher than budgeted investment income. With this increased contribution to reserves, the PHA projects to have 40.11 months of routine expenses in reserves at the end of FY 2024.

PROPOSED REVENUES:

The proposed FY 2025 budget projects COCC operating revenues of \$621,323 (Column E, Total Income), an increase of \$21,392 (3.6%) from \$599,931 in the FY 2024 budget (Column B). The details are as follows, as shown in Column E:

1. Management Fees (Lines #7 – #10) are projected to stay flat at \$587,040. Management Fees are the primary source of income to support the COCC operations and are comprised of property management fees, bookkeeping fees, and asset management fees. These fees are determined by HUD and are currently as follows:

- The property management fee is \$75.61 per unit-month (PUM)
 - The bookkeeping fee is \$7.50 PUM; and
 - The bookkeeping fee is \$10.00 PUM.
2. Interest on General Fund Investments (Line #3) is projected at \$29,283, up from \$7,891 in the FY 2024 budget (\$21,392 increase). Higher interest rates and additional reserve funds to invest means that investing the COCC's unrestricted cash will generate higher returns in FY 2025. Staff will continue to seek out secure, profitable investment opportunities to maximize the COCC's earning potential.
3. Other Income (Line #5) is projected at \$5,000, the same amount as budgeted in FY 2024. Other income is comprised primarily of incidental income from discounts for early payments to vendors and other rebates.

PROPOSED EXPENDITURES:

The proposed FY 2025 COCC Operating Budget shows total operating expenditures of \$491,121 (Column E, Line #50) which is a decrease of \$14,263 (-2.8%) from the FY 2024 budget of \$505,384 (Column B, Line #50). The proposed increases/decreases are highlighted below:

1. Administrative costs are proposed to decrease overall by \$16,376 (-4.1%) from \$403,332 to \$386,956. Significant changes within this category are:
 - a. Salaries (Line #13) is projected to increase by \$10,319 (4.6%) from \$226,161 to \$236,480. This increase in administrative salaries is due to anticipated contractually obligated salary cost increases for existing FTEs. As stated below, no additional staff are being requested as part of the FY 2025 COCC Operating Budget.
 - b. Legal Expense (Line #14) is projected to increase by \$6,544 (24.8%) from \$26,406 to \$32,950. This increased COCC expense is a due to adjusting to the share of legal expenses allocated to all programs. Staff will continue to evaluate allocation methods to determine the most equitable method for distributing the Agency's legal expenses.
 - c. Staff Training (Line #15) is budgeted at \$2,181, down from \$13,937 (\$11,756 decrease). This line item includes staff training and tuition reimbursements. This

decrease is driven by fewer trainings for management staff at the CAO. This decrease is also due to adjusting the share of staff training expenses allocated to all programs.

- d. Staff Travel (Line #16) is projected to increase by \$437 (3.0%) from \$14,380 to \$14,817. This increase is due primarily to increased costs for registration and travel expenses management staff at the CAO to participate in out-of-town training events including housing industry conferences.
 - e. Rent (Line #18) is projected to stay flat (0.0%) at \$33,200. Rent for CAO office space is paid to the Building Fund.
 - f. Administrative Sundry Expenses (Line #19) are projected to decrease by \$21,961 (-24.7%) from \$88,748 to \$66,787. Administrative Sundry encompasses a broad range of expenses that are used for general administrative support of all programs by COCC staff. Examples include administrative contract services, office supplies, phones, printing, advertising, and memberships. A substantial part of this decrease is due to a planned reduction in expendable IT equipment purchases in FY 2025 for devices such as new laptops.
2. General Expenses (Lines 38-45) are proposed to increase overall by \$2,611 (2.6%), as follows:
- a. Insurance costs (Line #38) are projected to increase by \$384 (5.3%) from \$7,207 to \$7,591. Budgeted insurance costs are based on premiums and loss-ratio data received from the PHA's insurance providers (Workers Compensation, Fiduciary, Commercial Crime, and Director and Officers insurance).
 - b. Other Post-Employment Benefits (OPEB, Line #41) are projected to decrease from \$1,313 to \$498. 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.
 - c. Employee Benefit Contributions (Line #43) are projected to decrease by \$9,230 (-10.2%) from \$90,914 to \$81,684. Budgeted benefit contributions are directly related to salary activity.

STAFFING CHANGES:

No Agency staffing changes are proposed as part of the COCC Operating Budget for FY 2025.

SUMMARY:

The FY 2025 Central Office Cost Center Operating Budget provides the spending blueprint to support the continued successful operation of the Low Income Public Housing program. As explained above, the headlines for this year include:

- a. **Projected Net Income:** Projected revenues exceed proposed expenditures resulting in projected net income of \$129,704.
- b. **Transfer to Building Fund:** Staff are recommending transferring \$41,800 from the COCC reserves to the Building Fund to address future capital needs of the Building Fund.
- c. **Reserves:** Column E, Line #58 projects FY 2025 year-end reserves (Unrestricted Net Position) at \$1,778,461, or approximately 43.41 months (Line #60) of routine expenses.
- d. **Transfer from Capital Fund Budget:** As proposed at the May 24, 2023 CFP budget presentation to the Board, staff are recommending transferring \$120,000 from the CY 2023 CFP to the COCC to cover administrative costs.

Staff believes this proposed COCC Operating Budget will further the Agency's mission by providing needed housing and services to residents while preserving the physical assets and maintaining the financial stability of the PHA.

WW/FAH

Attachments:

1. FY 2025 Proposed COCC Operating Budget
2. Summary of Positions and Salaries for COCC
3. PHA Operating Budget Structure – FY 2025 COCC Budget

**Central Management Office - LIPH Central Office Cost Center
Proposed Income and Expense Budget (Comparative)
For the Fiscal Year Ending March 31, 2025**

	FY 21 Actual Activity	FY 22 Actual Activity	FY 23 Actual Activity	(B) FY 24 Budget Approved	FY 24 Budgeted PUM	(A) 12/31/2023 Activity	(C) FY 24 Activity Projected	(D) FY 24 Budget to Projected Variance (C - B)	(E) FY 25 Budget Proposed	FY 25 Proposed PUM	(F) FY 24 Approved to FY 25 Proposed Variance (E - B) \$ %	
INCOME												
1) Tenant Rent				\$ -	-		\$ -	\$ -	\$ -	-	\$ -	N/A
2) Tenant Other				-	-		-	-	-	-	-	N/A
3) Investments	8,577	4,491	10,621	7,891	1,57	24,738	32,984	25,093	29,283	5,84	21,392	271.1%
4) Cell-site				-	-		-	-	-	-	-	N/A
5) Other Income	187,066	18,704	3,636	5,000	1.00	7,467	9,956	4,956	5,000	1.00	-	0.0%
6) Capital Asset Disposition				-	-		-	-	-	-	-	N/A
7) Property Management Fees	3,680,412	468,759	482,225	499,260	99.53	245,203	499,260	(0)	499,260	99.53	-	0.0%
8) Bookkeeping Fees	497,573	36,833	36,660	37,620	7.50	24,323	37,620	-	37,620	7.50	-	0.0%
9) Asset Management Fees	50,160	50,160	50,160	50,160	10.00	33,440	50,160	(0)	50,160	10.00	-	0.0%
10) Recertification Fees	138,096	-	-	-	-	-	-	-	-	-	-	N/A
11) CFP Transfer to Operations				-	-		-	-	-	-	-	N/A
12) HUD Subsidy				-	-		-	-	-	-	-	N/A
TOTAL INCOME	\$ 4,561,884	\$ 578,947	\$ 583,302	\$ 599,931	119.60	\$ 335,171	\$ 629,979	\$ 30,048	621,323	\$ 123.87	\$ 21,392	3.6%
ADMINISTRATIVE												
13) Salaries	\$ 2,721,546	\$ 91,276	\$ 188,281	\$ 226,161	45.09	\$ 173,182	\$ 230,910	\$ 4,749	\$ 236,480	47.15	\$ 10,319	4.6%
14) Legal	568,067	56,016	41,228	26,406	5.26	19,684	26,245	(161)	32,950	6.57	6,544	24.8%
15) Staff Training	21,531	535	691	13,937	2.78	3,297	4,395	(9,542)	2,181	0.43	(11,756)	-84.4%
16) Staff Travel	35,557	-	-	14,380	2.87	568	758	(13,622)	14,817	2.95	437	3.0%
17) Audit Fees	5,000	196	352	500	0.10	418	557	57	541	0.11	41	8.2%
18) Rent	346,231	41,992	53,116	33,200	6.62	36,697	48,929	15,729	33,200	6.62	-	0.0%
19) Administrative Sundry	540,519	194,477	123,225	88,748	17.69	83,059	110,745	21,997	66,787	13.31	(21,961)	-24.7%
20) Property Management Fees				-	-		-	-	-	-	-	N/A
21) Bookkeeping Fees				-	-		-	-	-	-	-	N/A
22) Asset Management Fees				-	-		-	-	-	-	-	N/A
23) Recertification Fees				-	-		-	-	-	-	-	N/A
TOTAL ADMINISTRATIVE	\$ 4,238,449	\$ 384,491	\$ 406,893	\$ 403,332	80.41	\$ 316,905	\$ 422,540	\$ 19,208	386,956	77.14	\$ (16,376)	-4.1%
TENANT SERVICES												
24) Salaries				\$ -	-	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
25) Other	44,000			-	-	-	-	-	-	-	-	N/A
26) Contracts	19,174			-	-	-	-	-	-	-	-	N/A
TOTAL TENANT SERVICES	\$ 63,174	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	-	\$ -	N/A
UTILITIES												
27) Water & Sewer				\$ -	-	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
28) Electricity				-	-	-	-	-	-	-	-	N/A
29) Gas				-	-	-	-	-	-	-	-	N/A
30) Fuel Oil				-	-	-	-	-	-	-	-	N/A
31) Engineers Labor	59,522			-	-	-	-	-	-	-	-	N/A
32) District Energy				-	-	-	-	-	-	-	-	N/A
33) Other Utilities				-	-	-	-	-	-	-	-	N/A
TOTAL UTILITIES	\$ 59,522	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	-	\$ -	N/A
ORDINARY MAINTENANCE												
34) Salaries	\$ -			-	-	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
35) Materials			189	-	-	-	-	-	-	-	-	N/A
36) Contracts		2,827		-	-	-	-	-	-	-	-	N/A
TOTAL ORDINARY MAINTENANCE	\$ -	\$ 2,827	\$ 189	\$ -	-	\$ -	\$ -	\$ -	-	-	\$ -	N/A
PROTECTIVE SERVICES												
37) Protective Services	\$ -			\$ -	-	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
TOTAL PROTECTIVE SERVICES	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	-	\$ -	N/A
GENERAL												
38) Insurance	\$ 64,190	\$ -	\$ 6,928	\$ 7,207	1.44	\$ 7,623	\$ 10,164	\$ 2,957	\$ 7,591	1.51	\$ 384	5.3%
39) PILOT				-	-	-	-	-	-	-	-	N/A
40) Terminal Leave Payments	26,996	10,164	-	2,618	0.52	891	1,187	(1,431)	14,890	2.97	12,272	468.8%
41) Other Post Employment Benefits	(30,323)	810	-	1,313	0.26	-	-	(1,313)	498	0.10	(815)	-62.1%
42) Parental Leave	2,923	355	-	-	-	236	315	315	-	-	-	N/A
43) Employee Benefits	888,673	55,826	69,415	90,914	18.12	53,715	71,620	(19,294)	81,684	16.28	(9,230)	-10.2%
44) Collection Losses	-	-	-	-	-	-	-	-	-	-	-	N/A
45) Other General Expenses	350	100	168	-	-	-	-	-	-	-	-	N/A
TOTAL GENERAL	\$ 952,809	\$ 67,255	\$ 76,511	\$ 102,052	20.34	\$ 62,466	\$ 83,287	\$ (18,765)	104,663	20.86	\$ 2,611	2.6%

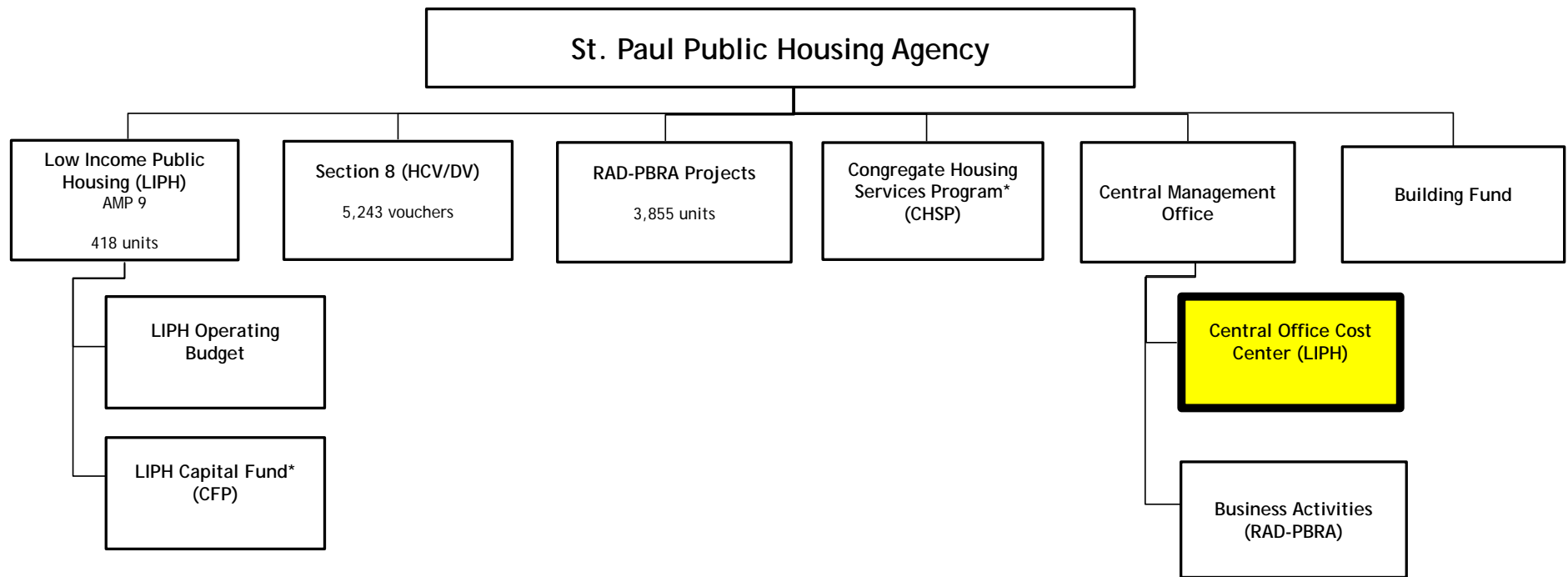
**Central Management Office - LIPH Central Office Cost Center
Proposed Income and Expense Budget (Comparative)
For the Fiscal Year Ending March 31, 2025**

		FY 21 Actual Activity	FY 22 Actual Activity	FY 23 Actual Activity	(B) FY 24 Budget Approved	FY 24 Budgeted PUM	(A) 12/31/2023 Activity	(C) FY 24 Activity Projected	(D) FY 24 Budget to Projected Variance (C - B)	(E) FY 25 Budget Proposed	FY 25 Proposed PUM	(F) FY 24 Approved to FY 25 Proposed Variance (E - B)	
												\$	%
46)	TOTAL ROUTINE EXPENSES	\$ 5,313,955	\$ 454,573	\$ 483,593	\$ 505,384	100.75	\$ 379,370	\$ 505,827	\$ 443	\$ 491,619	\$ 98.00	\$ (13,765)	-2.7%
NON-CAPITAL NON-ROUTINE													
	47) Extraordinary Maintenance	\$ -			\$ -	-		\$ -	\$ -		-	\$ -	N/A
	48) Casualty Losses	-			-	-		-	-		-	-	N/A
	49) Cash Transfer (In)/Out												
	TOTAL NON-CAPITAL NON-ROUTINE	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A
50)	TOTAL OPERATING EXPENSES	\$ 5,313,955	\$ 454,573	\$ 483,593	\$ 505,384	100.75	\$ 379,370	\$ 505,827	\$ 443	\$ 491,619	\$ 98.00	\$ (13,765)	-2.7%
51)	NET INCOME (LOSS) FROM OPERATIONS	\$ (752,071)	\$ 124,373	\$ 99,709	\$ 94,547	18.85	\$ (44,199)	\$ 124,152	\$ 29,605	\$ 129,704	25.87	\$ 35,157	37.2%
CAPITAL NON-ROUTINE (flows through depreciation)													
	52) Replacement of Equipment	\$ 32,933				-		\$ -	\$ -		-	\$ -	N/A
	53) Betterments and Additions	-				-		-	-		-	-	N/A
	TOTAL CAPITAL NON-ROUTINE	\$ 32,933	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	-	\$ -	N/A
NET POSITION ACTIVITY													
PRIOR YEAR													
	NET INVESTMENT IN CAPITAL ASSETS (W/O WIP)	\$ 131,418	\$ 89,600	\$ 18,939	\$ 4,091		\$ 4,091	\$ 4,091			91		
	UNRESTRICTED NET POSITION	2,169,127	1,384,122	1,508,496	1,608,205		1,608,205	1,608,205			1,690,557		
	TOTAL PRIOR YEAR NET POSITION ACTUAL / PROPOSED	\$ 2,300,545	\$ 1,473,722	\$ 1,527,435	\$ 1,612,296		\$ 1,612,296	\$ 1,612,296			1,690,648		
	54) CFP CAPITAL ASSET CONTRIBUTION ACTUAL / ESTIMATED	32,933	-		\$ -		\$ -				-		
	55) NON-CFP CAPITAL ASSET ACTIVITY ESTIMATED										-		
	56) DEPRECIATION EXPENSE	74,752	70,661	14,848							91		
	SURPLUS CASH TRANSFER IN/(TRANSFER OUT)							(41,800)			(41,800)		
CURRENT YEAR PROPOSED													
	57) NET INVESTMENT IN CAPITAL ASSETS (includes Depreciation, RE, BA, CFP contribution less WIP & capital loans)	\$ 89,600	\$ 18,939	\$ 4,091	\$ 4,091		\$ 4,091	\$ 91			-		
	58) UNRESTRICTED NET POSITION	1,384,122	1,508,496	1,608,205	1,702,752		1,564,006	1,690,557			1,778,461		
59)	TOTAL CURRENT YEAR NET POSITION ACTUAL / PROPOSED	\$ 1,473,722	\$ 1,527,435	\$ 1,612,296	\$ 1,706,843		\$ 1,568,097	\$ 1,690,648			1,778,461		
	UNRESTRICTED NET POSITION	\$ 1,384,122	\$ 1,508,496	\$ 1,608,205	\$ 1,702,752		\$ 1,564,006	\$ 1,690,557			1,778,461		
	TOTAL ROUTINE EXPENSES (no Extra-Ordinary Maintenance or Betterment & Additions)	\$ 5,313,955	\$ 454,573	\$ 483,593	\$ 505,384		\$ 379,370	\$ 505,827			491,619		
60)	MONTHS ROUTINE EXPENSES (unrestricted net position compared to total routine expenses)	3.13	39.82	39.91	40.43		49.47	40.11			43.41		

Central Office Cost Center Salary Position Summary

Position Title	Department	FTE	Salary	COCC
Assistant Maintenance Director	Maintenance	1.00	\$112,300	\$10,280
Maintenance Director	Maintenance	1.00	\$157,010	\$14,370
Housing Policy Director	Housing Policy	1.00	\$157,010	\$9,430
Housing Policy Director	Housing Policy	0.50	\$79,690	\$4,720
Business Systems Analyst	Housing Policy	1.00	\$89,030	\$5,350
Business Systems Analyst	Housing Policy	1.00	\$82,890	\$4,980
Network Administrator	Housing Policy	1.00	\$89,030	\$5,350
IT Generalist	Housing Policy	1.00	\$60,980	\$3,660
IT Generalist	Housing Policy	1.00	\$63,200	\$3,800
Information Technology Manager	Housing Policy	1.00	\$121,170	\$7,280
Program Coordinator	Resident Services	1.00	\$73,370	\$7,070
Resident Services Sr Manager	Resident Services	1.00	\$116,390	\$11,210
Resident Services Sr Manager	Resident Services	1.00	\$126,230	\$12,160
Resident Services Sr Manager	Resident Services	1.00	\$124,240	\$11,970
Resident Services Sr Manager	Resident Services	1.00	\$149,960	\$14,480
Resident Services Director	Resident Services	1.00	\$157,320	\$13,640
Administrative Support Professional	Human Resources	1.00	\$61,300	\$3,680
Administrative Support Professional	Human Resources	1.00	\$61,300	\$3,680
Human Resources Director	Human Resources	0.50	\$79,690	\$4,720
Human Resources Generalist	Human Resources	1.00	\$85,890	\$5,160
Human Resources Generalist	Human Resources	1.00	\$84,380	\$5,070
Administrative Support Technician	Executive	1.00	\$55,050	\$3,310
Executive Director	Executive	1.00	\$251,220	\$15,130
Executive Assistant	Executive	0.15	\$13,360	\$740
Communications Program Manager	Executive	0.85	\$104,650	\$6,270
Administrative Assistant	Finance	1.00	\$55,050	\$3,310
Accountant I	Finance	1.00	\$84,570	\$5,080
Accountant I	Finance	1.00	\$86,110	\$5,170
Accountant I	Finance	1.00	\$84,570	\$5,080
Assistant Controller	Finance	1.00	\$104,510	\$5,650
Assistant Controller	Finance	1.00	\$102,660	\$6,170
CFO	Finance	1.00	\$157,010	\$8,960

Major Operating Budgets



* Calendar year fiscal year

PUBLIC HOUSING AGENCY OF THE CITY OF SAINT PAUL

REPORT TO COMMISSIONERS

FROM JON M. GUTZMANN
EXECUTIVE DIRECTOR

REGARDING Section 8/Housing Choice Vouchers;
Operating Budgets for the Fiscal Year
Ending March 31, 2025; Housing Choice
Vouchers and Mainstream (Disability) Vouchers

DATE March 13, 2024

Staff recommends Board approval of the Section 8/Housing Choice Voucher (HCV) and Mainstream (Disability) Voucher Operating Budgets totaling \$63,342,907 for FY 2025 (Column E, Line #25 on the attached "Section 8 Combined" budget). The combined budget includes both the main HCV program (4,768 vouchers) and the smaller Mainstream program (318 vouchers).^{1,2,3} This is an overall increase of \$7,072,669 or 12.6% (Column F, Line #25) compared to budgeted expenses of \$56,270,238 for FY 2024 (Column B, Line #25). The proposed budget for the Housing Assistance Payments (HAP) to property owners is balanced, with anticipated HUD subsidies equal to projected HAP expenses. The proposed budget for administrative expenses anticipates a draw of \$602,762 from the Administrative Fee Reserves ("Unrestricted Net Position" or UNP), intentionally reducing that fund below its current high balance. If this budget is approved, the Administrative Fee Reserve account is projected to have a balance over \$4.5 million at the end of FY 2025.

-
- ¹ Mainstream Vouchers are tenant-based vouchers that serve households that include a non-elderly person(s) with disabilities, defined as any family that includes a person with disabilities who is at least 18 years old and not yet 62 years old at the effective date of the initial Housing Assistance Payment (HAP) Contract. HUD Notice PIH 2020-01.
 - ² HUD requires the Mainstream program expenses to be reported separately from HCVs in the online Financial Data Schedule (FDS) and Voucher Management System (VMS) so staff maintains a separate budget for that program.
 - ³ The Section 8/HCV Department also manages the Emergency Housing Voucher (EHV) program with 157 authorized vouchers. Those vouchers are not included in this budget because EHV is a standalone program. The total number of vouchers administered by the Agency is 5,243.

SECTION 8/HOUSING CHOICE VOUCHERS – PROGRAM SUMMARY:

The Housing Choice Voucher programs continued to grow during the previous calendar year, and staff continue to seek new ways to fulfill the PHA’s mission through collaborating with new partners and serving mutual clients who are most in need. These increased partnerships have continued to allow the PHA to compete successfully for additional vouchers. Staff believe the proposed FY 2025 revenue and expense budgets, as well as the proposed staffing changes described below, will position the HCV programs to successfully address current and future challenges, and take advantage of future opportunities.

SECTION 8/HOUSING CHOICE VOUCHERS – PROPOSED REVENUE:

Housing Assistance Payments (HAP). HUD provides renewal funding for the voucher programs’ rent subsidies paid to private property owners, based on actual Housing Assistance Payment (HAP) expenses the PHA reported last year in the online Voucher Management System (VMS). The combined HCV and Mainstream expenses for HAP to property owners are projected to be **\$52,140,160** (Column E, Line #23), which staff expects would be fully covered by the anticipated HUD revenue/subsidies (also **\$52,140,160**; Column E, Line #1). In the event that actual HAP expenses exceed the actual HUD HAP subsidies during the year, the PHA’s HAP reserves and “HUD-Held [HAP] Reserves” are adequate to cover the overage. The combined HAP reserves are expected to total about \$5.5 million at the end of FY 2024.

Section 8/Housing Choice Voucher Administrative Fees are calculated by a HUD-provided formula that is intended to reflect the actual costs for a PHA to administer the complex HCV programs. However, due to inadequate Congressional appropriations, the formula-driven amount is reduced (“pro-rated”) every year. For this proposed budget the administrative fees are estimated based on

CY 2023 methodology and fee rates, because HUD has not announced the fee rates for CY 2024 as of this writing. The amount is then pro-rated down to 90% of the formula amount, which is an estimate of the funding that will be available under the topline spending agreement for Federal Fiscal Year (FFY) 2024.⁴ At the time of this writing, Congress has not passed a final budget for this current fiscal year and is operating under a continuing resolution.

Administrative fees are paid based on the number of units under lease each month, not on the total number of Housing Choice Vouchers authorized. (No fee is paid for unit-months leased that exceed the PHA's authorized limit, either.) The administrative fee for CY 2023 (before pro-ration) was \$106.21 per month for the first 7,200 unit-months leased (yearly total) and \$99.13 per month for the remaining unit-months leased, for an average administrative fee of \$100.37 across all units, if the PHA's authorized number of units were all leased. In this proposed budget staff estimate that the pro-rated administrative fee for HCV and Mainstream vouchers for the year will be approximately \$5,615,360 (about \$89.25 per unit-month) based on an estimated pro-ration of 90% and a utilization rate of 92%. That amount will be supplemented by other revenues (fraud recovery⁵, investments, port-in administrative fees, and other small amounts), for total anticipated revenues of **\$6,428,085** (Column E, Lines #2, #3, #5, #7 and #8).

⁴ On January 7, 2024, Congressional leaders reached an agreement on a topline funding number for federal fiscal year (FFY) 2024. The agreement funds domestic non-defense programs at \$772.7 billion – a 0.2% increase from FFY 2023. Both the House and Senate draft spending bills propose increases of greater than 10% to HUD's overall budget; however, neither bill provides sufficient funding to renew all existing Housing Choice Voucher (HCV) contracts upon turnover.

⁵ Fraud recovery is a HUD term that refers to the amount of funds received from a household or owner by litigation, court order, or repayment agreement. The PHA retains half of the amount collected and treats it as part of unrestricted net position (UNP).

The proposed budget for the combined Section 8 programs (both Housing Choice Vouchers and Mainstream) shows routine administrative (not HAP) expenses at **\$7,030,847** (Column E, Line #22) for FY 2025. Budgeted expenses and revenues for the main HCV program (not including Mainstream), would require a draw of approximately \$595,690 on the administrative fee reserve (“Unrestricted Net Position” or UNP). Proposed administrative expenses for the Mainstream Voucher program would result in a draw on UNP of \$7,072. The net result is a projected program-wide draw on the combined UNP of **\$602,762** at the end of FY 2025 and a projected FY 2025 year-end UNP balance of **\$4,531,563**. The history of UNP balances is shown on an attached bar graph.

For FY 2024, ending March 31, 2024, the Section 8/Housing Choice Voucher Operating Budget approved by the Board on March 15, 2023 projected a program-wide draw on Section 8/HCV UNP of \$460,046. Staff now estimate the program will have a surplus of \$132,892 at the end of FY 2024, leading to a UNP of \$5,134,325 at year end (Column C, Line #27). UNP balance projections are subject to change based on final fiscal year end activities.

The components of the Section 8/HCV revenue in this proposed budget are as follows (Column E):

1. Section 8/HCV Housing Assistance Payments (HAP) subsidy (Line #1) is expected to be \$52,140,160 for the Section 8 Combined programs, an increase of \$6,015,271 (13.0%) compared to the FY 2024 budget amount of \$46,124,889. As explained above, the Housing Choice Vouchers (HCVs) and the Mainstream Vouchers are budgeted separately, but reported together here as the Section 8 Combined programs.
 - a. Housing Choice Vouchers include 276 VASH (Veterans Affairs Supportive Housing) Vouchers, 175 FUP (Family Unification Program) Vouchers, and 362 Preservation Vouchers, in addition to the 3,955 regular vouchers, for a total of 4,768 vouchers (excluding the Mainstream Voucher program). The proposed budget for the Housing

- Choice Voucher program shows a HAP increase of \$5,342,374 (12.3%). (Line #1, Column F on the attached HCV Budget.)
- b. The Mainstream (Disability) Voucher budget (318 vouchers) shows an increase of \$672,897 (25.2%). This increase is due to an increase in Mainstream voucher utilization, as well as increase in payment standards.
 - c. The Emergency Housing Voucher program (157 vouchers) is not included in this budget because EHV is a standalone program, separately funded with a one-time, initial award of \$1,561,104 received in 2021. The EHV program was funded through the American Rescue Plan Act (ARPA), and the program is set to expire in September 2030.
2. Section 8/HCV Administrative Fee Subsidy (Line #2) is expected to be \$5,252,420 for the HCV program (Line #2, Column E & F). That would be an increase of \$156,660 (3.1%) from the FY 2024 budgeted amount of \$5,095,760. As explained above, the new administrative fee rate for CY 2024 had not been published by HUD when this report was drafted, so this budget is based on last year's fee rates and a proration rate of 90%, following HUD guidance. At 90% proration, the PHA would receive 10% less than the full cost of running the programs, according to HUD's own formulas. The Mainstream Vouchers' administrative fee increased from \$349,780 to \$362,940 (3.8%) in FY 2025 due to a higher utilization rate for the Mainstream program.
 3. Portability Revenue (Line #6 and #7) is budgeted at \$4,171,900 for HAP and \$454,240 for administrative fees, for a total of \$4,626,140 compared to \$3,999,763 in FY 2024, an increase of \$626,377 (15.7%). This amount is based on estimates each year of how many voucher participants may be transferring ("porting") into St. Paul from other jurisdictions, and whether the PHA will "absorb" any of those participants into our program by issuing our own vouchers to them (and increasing our voucher utilization). This large increase in portability revenue is primarily due to more HCV participants porting into St. Paul. The number of port-in vouchers increased from a monthly average of 422 in calendar year 2022, to a monthly average of 490 in calendar year 2023 (an increase of 16.1%). This higher

volume of port-ins is anticipated to continue in FY 2025.⁶ As explained below, more participants are also porting out of St. Paul, resulting in higher payments to the receiving jurisdiction. When the PHA does not absorb the “port-in” participant, the “sending” agency is required to reimburse St. Paul for HAP expenses, and those payments become part of the portability revenue. The HAP portion of this amount is a 100% reimbursement so it has no effect on the bottom line. (See Line #24 for offsetting HAP expense.) “Sending” agencies are also required to send 80% of their administrative fee for that unit to St. Paul.

4. Other Income (Lines #3, #5, and #8) Section 8/HCV revenue sources include interest on invested funds, fraud recovery amounts (primarily received through Minnesota Revenue Recapture) and other income amounts. The total combined revenue program-wide for these items is budgeted at \$358,485 in FY 2025, up from \$240,000 in FY 2024.

SECTION 8/HCV - PROPOSED EXPENDITURES:

Section 8/HCV expenditures include direct costs associated with Section 8 staff, as well as indirect costs associated with other PHA administrative staff. Indirect costs for these staff are allocated based on rates established during the annual budget preparation, to take effect on April 1st each year. As the number of vouchers grows while the PBRA and LIPH inventories remain the same, the allocations of program-wide expenses shift more of the cost to the Section 8/HCV program.

1. Administrative Expenses for the Combined Section 8/HCV programs are proposed at \$4,894,328, which is an increase of \$477,984 (10.8%) from the \$4,416,344 budgeted in FY 2024 (Line #9-15, Columns E, F, & B). The details of the proposed budget are as follows:
 - a. Salaries (Line #9) are increased by \$511,109 (16.6%) due to contractually obligated annual salary increases, other salary adjustments implemented during FY 2024 in response to the tight labor market, and the proposed staffing increases explained below.

⁶ Metro area agencies have mutually agreed to try to avoid absorbing participants in special HCV programs (like Emergency Housing Vouchers) who port into their jurisdiction, because HUD requires the “Initial Housing Authority” (that issued the voucher) to track the participant’s whereabouts and outcomes. With more “special program” HCVs awarded to the region, that increases the number of unabsorbed port-in and port-out vouchers at each agency.

- b. Staff training and travel (Lines #11 and #12) is proposed to decrease by \$4,654 (-7.7%) from \$60,640 to \$55,986 due primarily to a decrease in travel expenses for housing industry conferences and other out of town staff training events. After three years of conferences and trainings being held virtually, virtual conferences and training sessions have become a more common and inexpensive method for staff training.
 - c. Rent expense (Line #14) is proposed to stay flat at \$366,815 in FY 2025. Section 8/HCV is being charged for the full cost of all rentable space on the third floor of the W.A. Boss Building/Central Administrative Office (CAO), which is solely occupied by Section 8 staff, as well as the costs of staff parking (paid to the Building Fund).
 - d. Administrative Sundry expenses (Line #15) decreased by \$37,761 (-6.2%) from \$610,303 to \$572,542. This includes increases to contractual services and expendable equipment, such as the procurement of laptops for Section 8 staff.
2. General Expenses are proposed at \$2,136,519 in the Combined Section 8/HCV programs budget which is an increase of \$70,317 (3.4%) from \$2,066,202 in FY 2024 (Line #16-21, Columns E, F & B). This increase is primarily due to a \$57,980 (8.4%) in portability fees paid out to other agencies for voucher participants “porting-out” from St. Paul to other jurisdictions.
 3. Housing Assistance Payments (HAP) are proposed at \$52,140,160 for the Combined Section 8/HCV programs, as stated above. This is an increase of \$6,015,271 (13.0%) from the FY 2024 amount of \$46,124,889 (Line #23, Columns E, F, & B). Staff monitors voucher utilization and payments to property owners on a monthly basis to maximize utilization while ensuring expenses remain within HUD subsidy and available HAP reserve amounts.

SECTION 8/HCV – STAFFING CHANGES

Staff are recommending the following staffing additions to respond to the continued growth of the HCV program:

- Addition of one full-time Housing Choice Voucher Specialist positions (1.0 FTE; “Full-Time Equivalent”)
- Addition of one full-time Administrative Support Professional position (1.0 FTE).

To partially offset the addition of the two positions, staff are recommending eliminating one part-time HCV Program Manager position for legal review (0.4 FTE). That position was included in the approved FY 2024 HCV Operating Budget but instead was filled by contract during the year, rather than by hiring. (On June 28, 2023 the Board approved the non-competitive, part-time contract with Meghan Kisch.)

Program Growth. The Section 8/HCV Department currently has 30.4 FTEs to administer the PHA's own 5,243 vouchers (including the 157 Emergency Housing Vouchers) and approximately 490 "port-in" vouchers from other agencies. Since January 1, 2021, the PHA has been awarded 339 more vouchers, a 6.9% increase. Staff are recommending the addition of one full-time HCV Specialist and one full-time Administrative Support Professional to effectively manage the additional work as voucher numbers continue to increase and practices continue to evolve. As the attached staffing chart shows, staffing levels would still be relatively lean when compared with other agencies across the Metro Twin Cities area. After factoring in the proposed staffing increases, the PHA's HCV staff would still be approximately 16% smaller than other agencies in the region, relative to the number of vouchers managed.

- **One Additional Administrative Support Professional FTE (1.0 FTEs):** As the HCV program has grown so have the daily administrative tasks. With ongoing training and staff changes, it has become necessary for the department to have a central point of contact to monitor all forms of incoming communication. Additionally, as applicant and participant needs have increased so have the administrative tasks of HCV Specialists and the Management team. Many of these administrative tasks would be more efficiently managed by an Administrative Support Professional. Having a central point of contact for general inquiries, new applicant or participant inquiries, and for prospective partners can ensure that their inquiries are routed to the correct staff member and prioritized efficiently.

- **One Additional HCV Specialist FTE (1.0 FTEs):** HCV Specialists are responsible for reviewing applicants for admissions into the program, processing ongoing rent adjustments, serving as the main point of contact for both program participants and owner partners, and managing conflict resolution as the tenancy progresses. The Housing Choice Voucher Specialists require a very high level of expertise, and they are also among the more “portable” positions in the Metro area as other agencies continue to actively recruit for these positions. Being fully staffed with 20 total Specialists (including Lead Specialists) would be comparable with our agency counterparts and would still result in caseloads of approximately 330 clients per HCV Specialist and 200 per Lead HCV Specialists. These figures are a moving target and based off monthly certifications needed for annuals, moving participants, applicant intake, and portability intake. Having smaller caseloads would also allow HCV Specialists to prepare for anticipated procedural changes due to HOTMA.⁷ Staff anticipate that these regulatory updates will create major changes in how HCV Specialists review participant rent calculations. While the changes may ultimately increase efficiency, there will be a significant learning curve that may initially slow down initial evaluation and processing. Additionally, Project Based Voucher (PBV) developments that are nearing completion will be leased up during the coming year. Our Lead HCV Specialists will work closely with the developments’ new staff to ensure that they know how to comply with all HCV program requirements. As noted in previous Board reports, the administrative burden of ongoing PBV projects has also increased, partly due to their staff turnover. This may require additional rebalancing or offsetting their caseloads with HCV Specialists to ensure they have capacity for training, special programs, and special projects.

Most of the new vouchers received in recent years are in programs serving clients with particular and unique needs, such as unhoused veterans and other persons experiencing homelessness or at risk of experiencing homelessness. When members of those targeted groups come onto the program, they usually have higher needs for services and case coordination, compared to a typical family or

⁷ The Housing Opportunity Through Modernization Act of 2016, which is now being implemented by new HUD regulations.

individual drawn from the regular waiting list. Their needs are prominent at intake, where staff are working with additional parties to complete an application, process admission paperwork, and explain the rules and requirements of the HCV program. In many cases the special needs continue while the client remains on the program, and require continued communication with various partner agencies to ensure successful tenancies.

Reserve Levels. As stated above, the Combined Section 8/HCV program’s administrative fee reserve (Unrestricted Net Position, UNP) is projected to be at \$4.5 million at the end of FY 2025, even after accounting for the staffing increases recommended in the proposed operating budget. The projected administrative fee reserve level at the end of FY 2024 is \$5.1 million, which is high compared to our partner agencies, and the PHA has been running the risk that a portion of these funds could be “swept” (recouped) by HUD. While the current budget proposes spending a portion of these fees to ensure the Agency remains high performing, future budgets will be focused on balancing the budget to maintain a healthy and prudent level of administrative fee reserves and aligning ongoing revenues with ongoing expenses.

Staff believes this proposed Section 8/HCV budget will continue to further the Agency’s mission by providing needed housing and services to Housing Choice Voucher applicants and participants, while maintaining the financial integrity and regulatory compliance that are essential to achieving high performance in administering the program. In this way the program benefits the participating tenants and property owners, and the community as a whole.

WW/CMS/FAH

Attachments:

1. FY 2025 Section 8 Combined Proposed Budget
2. FY 2025 Housing Choice Voucher (HCV) Proposed Budget
3. FY 2025 Mainstream Voucher (DV) Proposed Budget
4. FY 2025 Admin Fee Reserve Charts
5. Voucher Awards since 2011 Chart
6. Twin Cities Metro HCV FTE Comparison Chart
7. FY 2025 Salary Position Summary
8. PHA Operating Budget Structure - FY 2025 Section 8 Operating Budget

**Section 8 Combined
Proposed Income and Expense Budget (Comparative)
For the Fiscal Year Ending March 31, 2025**

	(A)	(A)	(A)	(B)	12/31/2023 Activity	(C)	(D)	(E)	(F)		
	FY 21 Activity Actual	FY 22 Activity Actual	FY 23 Activity Actual	FY 24 Budget Approved		FY 24 Activity Projected	FY 24 Budget to Projected Variance (C - B)	FY 25 Budget Proposed	FY24 Approved to FY25 Proposed Variance (E - B)	\$	%
INCOME											
1) HUD Subsidy - HAP	\$ 41,839,481	\$ 45,884,600	\$ 46,501,876	\$ 46,124,889	\$ 37,243,036	\$ 49,657,381	\$ 3,532,492	\$ 52,140,160	\$ 6,015,271	13.0%	
2) HUD Subsidy - Admin	4,091,395	4,680,610	5,382,173	5,445,540	4,261,288	5,681,717	236,177	5,615,360	169,820	3.1%	
3) Investments	7,760	568	16,443	50,000	30,130	40,173	(9,827)	110,223	60,223	120.4%	
4) Fraud Recovery - HUD	173,646	268,285	300,061	-	189,712	252,949	252,949	-	-	N/A	
5) Fraud Recovery - PHA	173,646	267,849	299,512	190,000	189,712	252,949	62,949	248,262	58,262	30.7%	
6) Portability - HAP	2,939,035	3,568,924	4,765,932	3,662,803	3,911,158	5,214,877	1,552,074	4,171,900	509,097	13.9%	
7) Portability - Admin	191,826	212,315	295,991	336,960	280,642	374,189	37,229	454,240	117,280	34.8%	
8) Other Income	12,007	13,691	7,205	-	2,062	2,749	2,749	-	-	N/A	
TOTAL INCOME	\$ 49,428,797	\$ 54,896,841	\$ 57,569,193	\$ 55,810,192	\$ 46,107,740	\$ 61,476,987	\$ 5,666,794	\$ 62,740,145	\$ 6,929,953	12.4%	
ADMINISTRATIVE											
9) Salaries	\$ 929,228	\$ 2,187,661	\$ 2,773,039	\$ 3,081,583	\$ 2,113,733	\$ 2,818,311	\$ (263,273)	\$ 3,592,692	\$ 511,109	16.6%	
10) Legal	247,069	248,257	246,518	268,039	198,206	264,275	(3,764)	274,964	6,926	2.6%	
11) Staff Training	27,339	5,784	21,351	37,305	26,337	35,116	(2,189)	28,827	(8,478)	-22.7%	
12) Staff Travel	31,707	2,893	10,143	23,336	5,617	7,489	(15,846)	27,159	3,823	16.4%	
13) Audit Fees	25,503	22,401	25,838	28,964	24,314	32,419	3,454	31,329	2,365	8.2%	
14) Rent	195,602	247,211	258,183	366,815	206,783	275,711	(91,104)	366,815	-	0.0%	
15) Administrative Sundry	387,113	406,373	548,264	610,303	460,665	614,220	3,917	572,542	(37,761)	-6.2%	
TOTAL ADMINISTRATIVE	\$ 1,843,561	\$ 3,120,580	\$ 3,883,336	\$ 4,416,344	\$ 3,035,655	\$ 4,047,540	\$ (368,804)	\$ 4,894,328	\$ 477,984	10.8%	
GENERAL											
16) Insurance	\$ 80,869	\$ 93,398	\$ 93,760	\$ 101,223	\$ 83,164	\$ 110,885	\$ 9,663	\$ 106,627	\$ 5,404	5.3%	
17) Terminal Leave Payments	20,129	93,381	-	-	33,956	45,275	45,275	-	-	N/A	
18) Other Post Employment Benefits	(23,411)	8,306	1,019	38,497	-	-	(38,497)	91,917	53,420	138.8%	
19) Parental Leave	3,966	11,882	12,948	15,250	1,330	1,773	(13,477)	11,688	(3,562)	-23.4%	
20) Employee Benefits	707,888	784,757	938,631	1,217,992	646,289	861,719	(356,273)	1,175,067	(42,925)	-3.5%	
21) Portability Fees	477,686	589,622	671,765	693,240	577,871	770,495	77,255	751,220	57,980	8.4%	
TOTAL GENERAL	\$ 1,267,126	\$ 1,581,347	\$ 1,718,123	\$ 2,066,202	\$ 1,342,610	\$ 1,790,147	\$ (276,055)	\$ 2,136,519	\$ 70,317	3.4%	
22) TOTAL ROUTINE EXPENSES	\$ 3,110,687	\$ 4,701,926	\$ 5,601,459	\$ 6,482,546	\$ 4,378,265	\$ 5,837,687	\$ (644,859)	\$ 7,030,847	\$ 548,301	8.5%	
HOUSING ASSISTANCE PAYMENTS											
23) Housing Assistance Payments	42,163,347	45,862,056	46,940,599	46,124,889	37,351,071	49,801,428	3,676,539	52,140,160	6,015,271	13.0%	
24) Housing Assistance Payments - Portability	2,955,247	3,568,924	4,765,932	3,662,803	4,278,735	5,704,980	2,042,177	4,171,900	509,097	13.9%	
TOTAL HOUSING ASSISTANCE PAYMENTS	\$ 45,118,594	\$ 49,430,980	\$ 51,706,531	\$ 49,787,692	\$ 41,629,806	\$ 55,506,408	\$ 5,718,716	\$ 56,312,060	\$ 6,524,368	13.1%	
25) TOTAL OPERATING EXPENSES	\$ 48,229,281	\$ 54,132,906	\$ 57,307,990	\$ 56,270,238	\$ 46,008,071	\$ 61,344,095	\$ 5,073,857	\$ 63,342,907	\$ 7,072,669	12.6%	
26) TOTAL NET INCOME (LOSS)	\$ 1,199,515	\$ 763,935	\$ 261,203	\$ (460,046)	\$ 99,669	\$ 132,892	\$ 592,938	\$ (602,762)	\$ (142,716)	-31.0%	
<hr/>											
NET POSITION ACTIVITY											
PRIOR YEAR											
UNRESTRICTED NET POSITION	\$ 2,948,035	\$ 4,712,369	\$ 4,889,447	\$ 5,150,376		\$ 5,150,376		\$ 5,134,325			
RESTRICTED NET POSITION	(1)	272	(3)	272		272		149,214			
TOTAL PRIOR YEAR NET POSITION ACTUAL / PROPOSED	\$ 2,948,033	\$ 4,712,641	\$ 4,889,444	\$ 5,150,647		\$ 5,150,647		\$ 5,283,539			
CURRENT YEAR PROPOSED											
27) UNRESTRICTED NET POSITION	\$ 4,712,369	\$ 4,889,447	\$ 5,150,376	\$ 4,690,330		\$ 5,134,325		\$ 4,531,563			
28) RESTRICTED NET POSITION	\$ 272	\$ (3)	\$ 272	\$ 272		\$ 149,214		\$ 149,214			
29) TOTAL CURRENT YEAR NET POSITION ACTUAL / PROPOSED	\$ 4,712,641	\$ 4,889,444	\$ 5,150,647	\$ 4,690,601		\$ 5,283,539		\$ 4,680,777			
UNRESTRICTED NET POSITION	\$ 4,712,369	\$ 4,889,447	\$ 5,150,376	\$ 4,690,330		\$ 5,134,325		\$ 4,531,563			
TOTAL ROUTINE EXPENSES	\$ 3,106,721	\$ 4,690,044	\$ 5,588,510	\$ 6,467,296		\$ 5,835,913		\$ 7,019,159			
30) MONTHS ROUTINE EXPENSES (unrestricted net position compared to total admin expenses)	18.20	12.51	11.06	8.70		10.56		7.75			

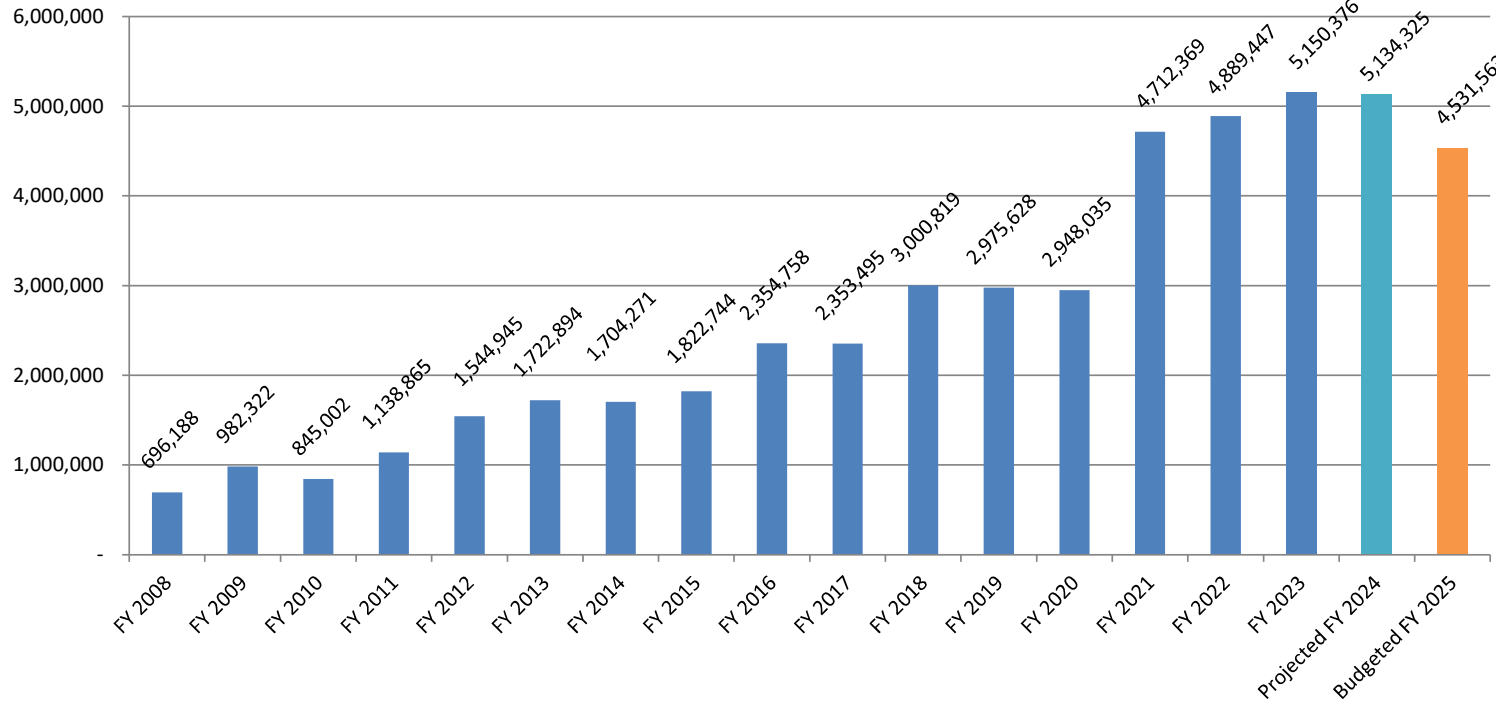
**Section 8 Housing Choice Voucher
Proposed Income and Expense Budget (Comparative)
For the Fiscal Year Ending March 31, 2025**

	(A) FY 21 Activity Actual	(A) FY 22 Activity Actual	FY 23 Activity Actual	(B) FY 24 Budget Approved	12/31/2023 Activity	(C) FY 24 Activity Projected	(D) FY 24 Budget to Projected Variance (C - B)	(E) FY 25 Budget Proposed	(F) FY 24 Approved to FY 25 Proposed Variance (E - B)	
									\$	%
INCOME										
1) HUD Subsidy - HAP	\$ 40,092,670	\$ 43,048,257	\$ 43,981,549	\$ 43,457,286	\$ 34,856,901	\$ 46,475,868	\$ 3,018,582	\$ 48,799,660	\$ 5,342,374	12.3%
2) HUD Subsidy - Admin	3,897,732	4,384,889	4,928,630	5,095,760	3,970,943	5,294,591	198,831	5,252,420	156,660	3.1%
3) Investments	7,609	(26)	16,443	50,000	30,130	40,173	(9,827)	103,499	53,499	107.0%
4) Fraud Recovery - HUD	173,646	268,285	300,061		189,712	252,949	252,949		-	N/A
5) Fraud Recovery - PHA	173,646	267,849	299,512	190,000	189,712	252,949	62,949	248,262	58,262	30.7%
6) Portability - HAP	2,939,035	3,568,924	4,765,932	3,662,803	3,911,158	5,214,877	1,552,074	4,171,900	509,097	13.9%
7) Portability - Admin	191,826	212,315	295,991	336,960	280,642	374,189	37,229	454,240	117,280	34.8%
8) Other Income	12,007	13,691	7,205	-	2,062	2,749	2,749		-	N/A
TOTAL INCOME	\$ 47,488,171	\$ 51,764,184	\$ 54,595,323	\$ 52,792,809	\$ 43,431,260	\$ 57,908,347	\$ 5,115,537	\$ 59,029,981	\$ 6,237,172	11.8%
ADMINISTRATIVE										
9) Salaries	\$ 829,027	\$ 2,055,376	\$ 2,613,483	\$ 2,893,607	\$ 1,988,822	\$ 2,651,763	\$ (241,844)	\$ 3,373,538	\$ 479,931	16.6%
10) Legal	234,117	235,271	230,085	251,688	186,134	248,179	(3,509)	258,191	6,503	2.6%
11) Staff Training	25,913	5,599	21,357	35,029	24,716	32,955	(2,074)	27,069	(7,960)	-22.7%
12) Staff Travel	30,075	2,726	9,559	21,912	5,271	7,028	(14,884)	25,502	3,590	16.4%
13) Audit Fees	24,164	20,962	24,153	27,198	22,828	30,437	3,240	29,418	2,220	8.2%
14) Rent	185,307	232,988	243,438	344,439	193,968	258,624	(85,815)	344,439	(0)	0.0%
15) Administrative Sundry	368,693	384,005	521,029	573,074	435,085	580,113	7,039	537,618	(35,456)	-6.2%
TOTAL ADMINISTRATIVE	\$ 1,697,296	\$ 2,936,926	\$ 3,663,104	\$ 4,146,947	\$ 2,856,824	\$ 3,809,099	\$ (337,849)	\$ 4,595,775	\$ 448,828	10.8%
GENERAL										
16) Insurance	\$ 78,882	\$ 90,902	\$ 91,032	\$ 95,048	\$ 81,267	\$ 108,356	\$ 13,308	\$ 100,123	\$ 5,075	5.3%
17) Terminal Leave Payments	20,129	93,357	-	-	-	-	-	-	-	N/A
18) Other Post Employment Benefits	(22,190)	7,824	-	37,608	-	-	(37,608)	91,917	54,309	144.4%
19) Parental Leave	3,966	11,882	12,948	15,040	1,330	1,773	(13,267)	11,688	(3,352)	-22.3%
20) Employee Benefits	671,019	739,077	885,536	1,144,726	609,300	812,400	(332,326)	1,103,388	(41,338)	-3.6%
21) Portability Fees	434,124	530,320	601,967	693,240	505,679	674,239	(19,001)	751,220	57,980	8.4%
TOTAL GENERAL	\$ 1,185,930	\$ 1,473,362	\$ 1,591,483	\$ 1,985,663	\$ 1,197,576	\$ 1,596,768	\$ (388,895)	\$ 2,058,336	\$ 72,673	3.7%
22) TOTAL ROUTINE EXPENSES	\$ 2,883,226	\$ 4,410,288	\$ 5,254,587	\$ 6,132,610	\$ 4,054,400	\$ 5,405,867	\$ (726,743)	\$ 6,654,111	\$ 521,501	8.5%
HOUSING ASSISTANCE PAYMENTS										
23) Housing Assistance Payments	\$ 40,266,318	\$ 43,316,542	\$ 44,281,335	\$ 43,457,286	\$ 34,934,906	\$ 46,579,875	\$ 3,122,589	\$ 48,799,660	\$ 5,342,374	12.3%
24) Housing Assistance Payments - Portability	2,955,247	3,568,924	4,765,932	3,662,803	4,278,735	5,704,980	2,042,177	4,171,900	509,097	13.9%
TOTAL HOUSING ASSISTANCE PAYMENTS	\$ 43,221,565	\$ 46,885,466	\$ 49,047,267	\$ 47,120,089	\$ 39,213,641	\$ 52,284,855	\$ 5,164,765	\$ 52,971,560	\$ 5,851,471	12.4%
25) TOTAL OPERATING EXPENSES	\$ 46,104,791	\$ 51,295,753	\$ 54,301,854	\$ 53,252,699	\$ 43,268,041	\$ 57,690,721	\$ 4,438,022	\$ 59,625,671	\$ 6,372,972	12.0%
26) TOTAL NET INCOME (LOSS)	\$ 1,383,380	\$ 468,430	\$ 293,469	\$ (459,890)	\$ 163,219	\$ 217,625	\$ 677,515	\$ (595,690)	\$ (135,800)	-29.5%
<hr/>										
NET POSITION ACTIVITY										
PRIOR YEAR										
UNRESTRICTED NET POSITION	\$ 2,661,133	\$ 4,044,515	\$ 4,512,945	\$ 4,806,139		\$ 4,806,139		\$ 4,874,821		
RESTRICTED NET POSITION	(1)	(3)	(3)	272		272		149,214		
TOTAL PRIOR YEAR NET POSITION ACTUAL / PROPOSED	\$ 2,661,132	\$ 4,044,512	\$ 4,512,942	\$ 4,806,411		\$ 4,806,411		\$ 5,024,036		
CURRENT YEAR PROPOSED										
27) UNRESTRICTED NET POSITION	\$ 4,044,515	\$ 4,512,945	\$ 4,806,139	\$ 4,346,249		\$ 4,874,821		\$ 4,279,132		
28) RESTRICTED NET POSITION	(3)	(3)	272	272		149,214		149,214		
29) TOTAL CURRENT YEAR NET POSITION ACTUAL / PROPOSED	\$ 4,044,512	\$ 4,512,942	\$ 4,806,411	\$ 4,346,521		\$ 5,024,036		\$ 4,428,346		
UNRESTRICTED NET POSITION	\$ 4,044,515	\$ 4,512,945	\$ 4,806,139	\$ 4,346,249		\$ 4,874,821		\$ 4,279,132		
TOTAL ROUTINE EXPENSES	\$ 2,883,226	\$ 4,410,288	\$ 5,254,587	\$ 6,132,610		\$ 5,405,867		\$ 6,654,111		
30) MONTHS ROUTINE EXPENSES (unrestricted net position compared to total admin expenses)	16.83	12.28	10.98	8.50		10.82		7.72		

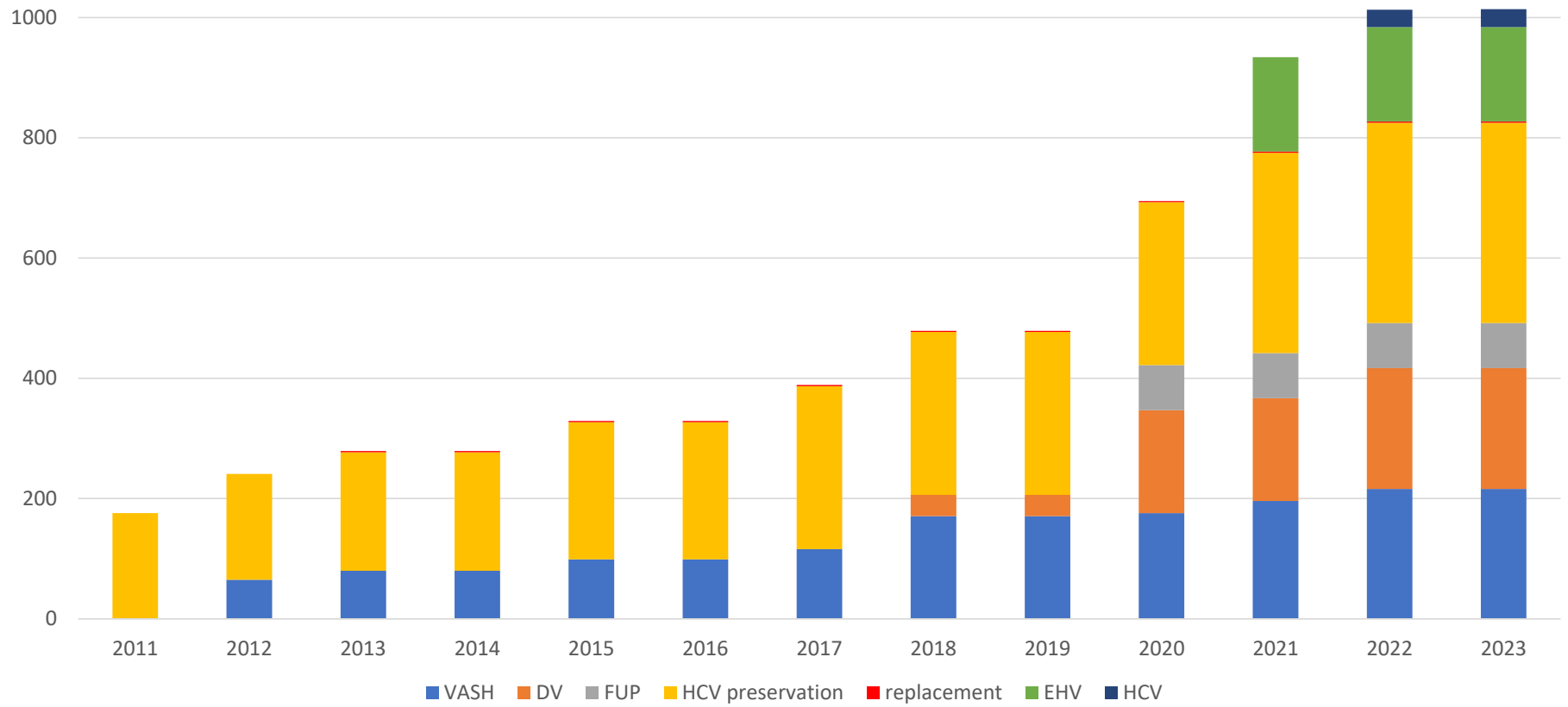
**Section 8 Mainstream Disability Vouchers
Proposed Income and Expense Budget (Comparative)
For the Fiscal Year Ending March 31, 2025**

	(A)	(A)	(A)	(B)	12/31/2023 Activity	(C)	(D)	(E)	(F)	
	FY 21 Activity Actual	FY 22 Activity Actual	FY 23 Activity Actual	FY 24 Budget Approved		FY 24 Activity Projected	FY 24 Budget to Projected Variance (C - B)	FY 25 Budget Proposed	FY 24 Approved to FY 25 Proposed Variance (E - B)	
									\$	%
INCOME										
1) HUD Subsidy - HAP	\$ 1,746,811	\$ 2,836,343	\$ 2,520,327	\$ 2,667,603	\$ 2,386,135	\$ 3,181,513	\$ 513,910	\$ 3,340,500	\$ 672,897	25.2%
2) HUD Subsidy - Admin	193,663	295,721	453,543	349,780	290,345	387,127	37,347	362,940	13,160	3.8%
3) Investments	151	594	-	-	-	-	-	6,724	6,724	N/A
4) Fraud Recovery - HUD	-	-	-	-	-	-	-	-	-	N/A
5) Fraud Recovery - PHA	-	-	-	-	-	-	-	-	-	N/A
6) Portability - HAP	-	-	-	-	-	-	-	-	-	N/A
7) Portability - Admin	-	-	-	-	-	-	-	-	-	N/A
8) Other Income	-	-	-	-	-	-	-	-	-	N/A
TOTAL INCOME	\$ 1,940,626	\$ 3,132,658	\$ 2,973,870	\$ 3,017,383	\$ 2,676,480	\$ 3,568,640	\$ 551,257	\$ 3,710,164	\$ 692,781	23.0%
ADMINISTRATIVE										
9) Salaries	\$ 100,201	\$ 132,285	\$ 159,556	\$ 187,977	\$ 124,911	\$ 166,548	\$ (21,429)	\$ 219,154	\$ 31,177	16.6%
10) Legal	12,952	12,986	16,433	16,350	12,072	16,096	(254)	16,773	423	2.6%
11) Staff Training	1,426	185	(6)	2,276	1,621	2,161	(114)	1,758	(518)	-22.7%
12) Staff Travel	1,632	167	584	1,423	346	461	(962)	1,657	234	16.4%
13) Audit Fees	1,339	1,439	1,685	1,767	1,486	1,981	215	1,911	144	8.2%
14) Rent	10,295	14,223	14,745	22,376	12,815	17,087	(5,289)	22,376	0	0.0%
15) Administrative Sundry	18,420	22,368	27,235	37,228	25,580	34,107	(3,122)	34,924	(2,304)	-6.2%
TOTAL ADMINISTRATIVE	\$ 146,265	\$ 183,653	\$ 220,232	\$ 269,397	\$ 178,831	\$ 238,441	\$ (30,956)	\$ 298,553	\$ 29,156	10.8%
GENERAL										
16) Insurance	\$ 1,987	\$ 2,497	\$ 2,728	\$ 6,175	\$ 1,897	\$ 2,529	\$ (3,645)	\$ 6,504	\$ 329	5.3%
17) Terminal Leave Payments	-	24	-	-	33,956	45,275	45,275	-	-	N/A
18) Other Post Employment Benefits	(1,221)	482	1,019	889	-	-	(889)	-	(889)	-100.0%
19) Parental Leave	-	-	-	210	-	-	(210)	-	(210)	-100.0%
20) Employee Benefits	36,869	45,680	53,095	73,266	36,989	49,319	(23,947)	71,679	(1,587)	-2.2%
21) Portability Fees	43,562	59,303	69,798	-	72,192	96,256	96,256	-	-	N/A
TOTAL GENERAL	\$ 81,196	\$ 107,985	\$ 126,640	\$ 80,539	\$ 145,034	\$ 193,379	\$ 112,840	\$ 78,183	\$ (2,356)	-2.9%
22) TOTAL ROUTINE EXPENSES	\$ 227,461	\$ 291,639	\$ 346,871	\$ 349,936	\$ 323,865	\$ 431,820	\$ 81,884	\$ 376,736	\$ 26,800	7.7%
HOUSING ASSISTANCE PAYMENTS										
23) Housing Assistance Payments	\$ 1,897,029	\$ 2,545,514	\$ 2,659,264	\$ 2,667,603	\$ 2,416,165	\$ 3,221,553	\$ 553,950	\$ 3,340,500	\$ 672,897	25.2%
24) Housing Assistance Payments - Portability	-	-	-	-	-	-	-	-	-	N/A
TOTAL HOUSING ASSISTANCE PAYMENTS	\$ 1,897,029	\$ 2,545,514	\$ 2,659,264	\$ 2,667,603	\$ 2,416,165	\$ 3,221,553	\$ 553,950	\$ 3,340,500	\$ 672,897	25.2%
25) TOTAL OPERATING EXPENSES	\$ 2,124,490	\$ 2,837,153	\$ 3,006,135	\$ 3,017,539	\$ 2,740,030	\$ 3,653,373	\$ 635,834	\$ 3,717,236	\$ 699,697	23.2%
26) TOTAL NET INCOME (LOSS)	\$ (183,865)	\$ 295,504	\$ (32,265)	\$ (156)	\$ (63,550)	\$ (84,733)	\$ (84,577)	\$ (7,072)	\$ (6,916)	4430.2%
NET POSITION ACTIVITY										
PRIOR YEAR										
UNRESTRICTED NET POSITION	\$ 264,862	\$ 80,998	\$ 376,502	\$ 344,237		\$ 344,237		\$ 259,504		
RESTRICTED NET POSITION										
TOTAL PRIOR YEAR NET POSITION ACTUAL / PROPOSED	\$ 264,862	\$ 80,998	\$ 376,502	\$ 344,237		\$ 344,237		\$ 259,504		
CURRENT YEAR PROPOSED										
27) UNRESTRICTED NET POSITION	\$ 80,998	\$ 376,502	\$ 344,237	\$ 344,081		\$ 259,504		\$ 252,431		
28) RESTRICTED NET POSITION										
29) TOTAL CURRENT YEAR NET POSITION ACTUAL / PROPOSED	\$ 80,998	\$ 376,502	\$ 344,237	\$ 344,081		\$ 259,504		\$ 252,431		
UNRESTRICTED NET POSITION	\$ 80,998	\$ 376,502	\$ 344,237	\$ 344,081		\$ 259,504		\$ 252,431		
TOTAL ROUTINE EXPENSES	\$ 227,461	\$ 291,639	\$ 346,871	\$ 349,727		\$ 431,820		\$ 376,736		
30) MONTHS ROUTINE EXPENSES (unrestricted net position compared to total admin expenses)	4.27	15.49	11.91	11.81		7.21		8.04		

Combined Program Admin Reserve Balance



Voucher Awards since 2011

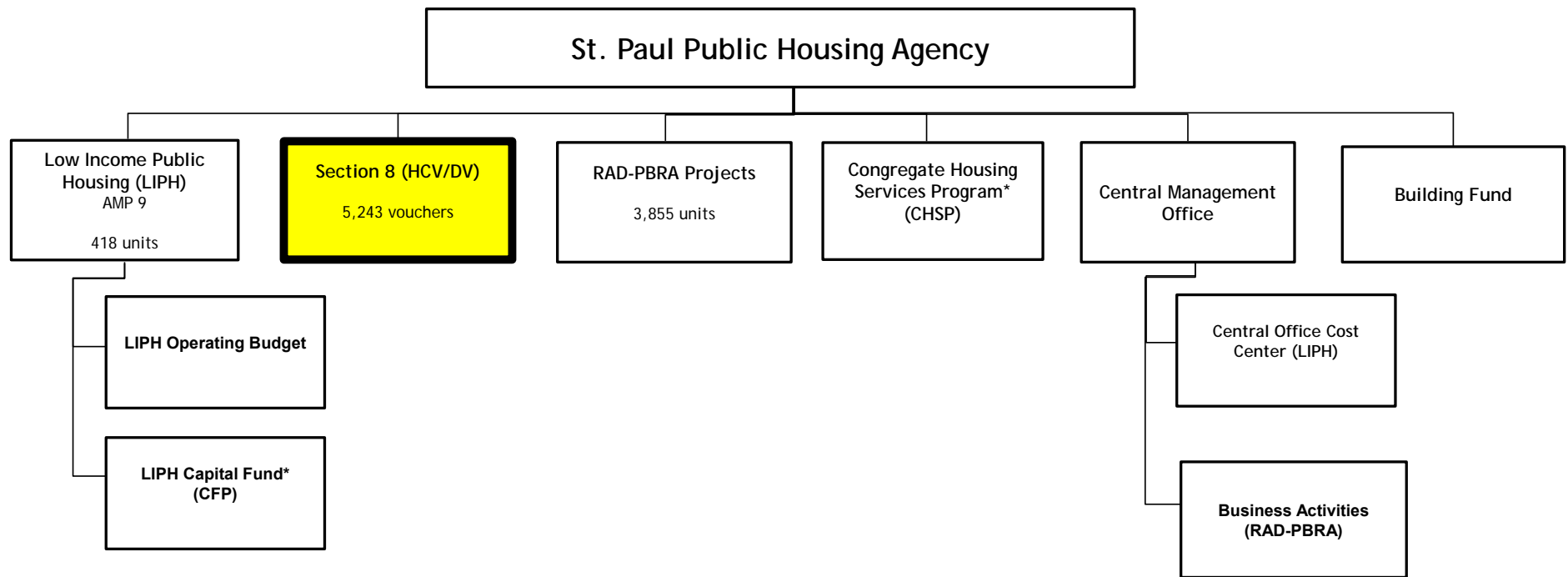


Agency	Vouchers	Management Staff	Lead Staff	Specialists	Inspections	Admin	Business Analyst	QC Specialists	Other	Other - not supported by Admin Fee	Total FTEs	Vouchers to FTE Ratios	Occupancy Caseloads	Notes
MPHA	7,741	13	1	24	4	1	1	4	12		70	129.02	300/specialist	Will be adding 3 FTEs soon.
Metro	7,283	7	7	18	6	3	3	5	8	0	57	127.77	300/specialist I; 260/Specialist II (Lead)	
Dakota	2,796	3	2	10.5	2.5	1	0	0	1	0	20	139.80	300/specialist	
St. Paul PHA	5,243	6.4	5	14	3	2	0	0	0	0	30.4	172.47	350/specialist; 200/Lead Specialist	
St. Paul PHA Proposed	5,243	6	5	15	3	2	0	0	1	0	32	163.84	330/Specialist; 200/Lead Specialist	

Housing Choice Voucher Salary Position Summary

Position Title	Department	FTE	Salary	HCV	Mainstream	EHV
Housing Policy Director	Housing Policy	1.00	\$157,010	\$56,230	\$3,620	\$0
Housing Policy Director	Housing Policy	0.50	\$79,690	\$28,540	\$1,840	\$0
Business Systems Analyst	Housing Policy	1.00	\$89,030	\$31,880	\$2,050	\$0
Business Systems Analyst	Housing Policy	1.00	\$82,890	\$29,680	\$1,910	\$0
Network Administrator	Housing Policy	1.00	\$89,030	\$31,880	\$2,050	\$0
IT Generalist	Housing Policy	1.00	\$60,980	\$21,840	\$1,410	\$0
IT Generalist	Housing Policy	1.00	\$63,200	\$22,630	\$1,460	\$0
Information Technology Manager	Housing Policy	1.00	\$121,170	\$43,390	\$2,800	\$0
Administrative Support Professional	Section 8	1.00	\$52,980	\$49,750	\$3,230	\$0
Administrative Support Professional	Section 8	1.00	\$55,910	\$52,500	\$3,410	\$0
Housing Inspector	Section 8	1.00	\$74,500	\$69,960	\$4,540	\$0
Housing Inspector	Section 8	1.00	\$63,410	\$59,540	\$3,870	\$0
Housing Inspector	Section 8	1.00	\$65,730	\$61,720	\$4,010	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$68,110	\$63,960	\$4,150	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$68,110	\$63,960	\$4,150	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$70,620	\$66,310	\$4,310	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$69,350	\$65,120	\$4,230	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$71,880	\$67,500	\$4,380	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$71,880	\$67,500	\$4,380	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$74,500	\$69,960	\$4,540	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$68,110	\$63,960	\$4,150	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$68,110	\$63,960	\$4,150	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$70,620	\$66,310	\$4,310	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$68,110	\$63,960	\$4,150	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$68,110	\$63,960	\$4,150	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$68,110	\$63,960	\$4,150	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$68,110	\$63,960	\$4,150	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$68,110	\$63,960	\$4,150	\$0
Housing Choice Voucher Specialist	Section 8	1.00	\$65,730	\$61,720	\$4,010	\$0
Lead Housing Choice Voucher Specialist	Section 8	1.00	\$87,830	\$82,470	\$5,360	\$0
Lead Housing Choice Voucher Specialist	Section 8	1.00	\$87,830	\$82,470	\$5,360	\$0
Lead Housing Choice Voucher Specialist	Section 8	1.00	\$86,320	\$81,050	\$5,270	\$0
Lead Housing Choice Voucher Specialist	Section 8	1.00	\$87,830	\$82,470	\$5,360	\$0
Lead Housing Choice Voucher Specialist	Section 8	1.00	\$89,740	\$84,270	\$5,470	\$0
Program Coordinator	Section 8	1.00	\$79,590	\$74,740	\$4,850	\$0
HCV Programs Manager	Section 8	1.00	\$109,460	\$97,640	\$6,340	\$5,470
HCV Programs Manager	Section 8	1.00	\$111,440	\$99,410	\$6,460	\$5,570
HCV Programs Manager	Section 8	1.00	\$115,470	\$103,010	\$6,690	\$5,770
HCV Programs Manager	Section 8	1.00	\$111,440	\$99,410	\$6,460	\$5,570
Assistant Housing Choice Voucher Programs Director	Section 8	1.00	\$126,950	\$113,250	\$7,360	\$6,350
Housing Choice Voucher Director Programs Director	Section 8	1.00	\$159,670	\$142,430	\$9,250	\$7,980
Administrative Support Professional	Human Resources	1.00	\$61,300	\$21,940	\$1,410	\$0
Administrative Support Professional	Human Resources	1.00	\$61,300	\$21,940	\$1,410	\$0
Human Resources Director	Human Resources	0.50	\$79,690	\$28,530	\$1,840	\$0
Human Resources Generalist	Human Resources	1.00	\$85,890	\$30,750	\$1,980	\$0
Human Resources Generalist	Human Resources	1.00	\$84,380	\$30,210	\$1,950	\$0
Administrative Support Technician	Executive	1.00	\$55,050	\$19,690	\$1,270	\$0
Executive Director	Executive	1.00	\$251,220	\$89,830	\$5,790	\$0
Executive Assistant	Executive	0.15	\$13,360	\$4,780	\$310	\$0
Communications Program Manager	Executive	0.85	\$104,650	\$37,430	\$2,410	\$0
Administrative Assistant	Finance	1.00	\$55,050	\$20,850	\$1,340	\$0
Accountant I	Finance	1.00	\$84,570	\$32,020	\$2,060	\$0
Accountant I	Finance	1.00	\$86,110	\$32,610	\$2,100	\$0
Accountant I	Finance	1.00	\$84,570	\$32,020	\$2,060	\$0
Assistant Controller	Finance	1.00	\$104,510	\$35,620	\$2,290	\$0
Assistant Controller	Finance	1.00	\$102,660	\$38,870	\$2,500	\$0
CFO	Finance	1.00	\$157,010	\$56,480	\$3,640	\$0

Major Operating Budgets



* Calendar year fiscal year