



Berkeley Housing Authority

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Item 7.B
NEW BUSINESS
April 13, 2017

Office of the Executive Director

To: Honorable Chair and Members of the Berkeley Housing Authority Board
From: Finance Committee and Jesy Yturralde, Finance Manager
Subject: Annual Finance Report –Ending February 28, 2017

Overall Deficit

As we get closer to our fiscal year end, we have a better estimate of what our actual expenditures will look like for the fiscal year. We think that some budget expenses will be foregone in FY2017, like fees for hearing officers that we did not use, cost and maintenance charges for Elite Portal software that we defer acquiring, and maintenance for the administrative office that we did not have to handle. We also think that some budget expenses will be partially carried over into the next fiscal year (2018), like the fee for the labor negotiator because we anticipate the union negotiation will continue through FY2018. Therefore we anticipate our total expenses will be \$41,828 less than our last month’s projection, and \$98,190 less than our original budget. Our projected deficit is now \$276,470, \$42,843 less than our January estimate of \$319,313 and 92,547 less than the deficit we projected in the beginning of the fiscal year. (See page 1, line 48.)

	Original Budget <u>(Deficit)</u>	02/28/2017 <u>Projected</u>	<u>Variance</u>
Section 8	(\$369,017)	(\$285,059)	(\$83,958)
Mod Rehab	(\$ 0)	\$ 7,921	\$ 7,921
Others	<u>-</u>	<u>\$ 668</u>	<u>\$ 668</u>
Deficit before use of proceeds	(\$369,017)	(\$276,470)	(\$92,547)
Use of net proceeds/reserves	<u>\$369,017</u>	<u>\$369,000</u>	<u>(\$ 17)</u>
Net deficit after proceeds	<u>\$ -</u>	<u>\$ 92,530</u>	<u>\$92,530</u>

Significant Year-To-Date Variances:

Projected Operating Revenue on February 28, 2017 is 1,845,563, \$5,642 less than the \$1,851,205 projected at the beginning of the fiscal year. (See page 1, line 14.)

- Projected Administrative Fee. We assumed 80% proration for administrative fee and 86% utilization in our FY2016-2017 budget based upon information available at the time the budget was prepared. The “Get Ready Letter” received from HUD on March 15 confirmed the potential 94% proration for HAP and 77% proration for administrative fees for

CY2017. Sources from Public Housing Authority Directors Association (PHADA) commented that other than during sequestration (2013), this is the lowest amount Housing Authorities have ever received to cover the cost of administering the Section 8 program. As previously reported, because pro-ration during the first six months of FY2017 was higher than budgeted (84%), annual proration for FY2017 will average to about 80% (proration used in FY2017 budget), but because our actual utilization (in terms of number of units leased per month) fell below our budgeted utilization (83% annual utilization as of February 2017), projected earned administrative fee revenue was \$12,153 less than what we originally budgeted at the beginning of the fiscal year. (See page 1, line 10.)

We also anticipate a slight reduction in the administrative fees paid to receiving PHA's for managing our outgoing portable vouchers (by \$2,738). (Page 1, line 11.) We originally assumed 50 Section 8 portable vouchers would be managed by other housing authorities in FY2017; there were only of 42 of these vouchers as of February 2017.

- Miscellaneous Income slightly exceeded budget by approximately \$3,773 due to higher than anticipated fraud recovery collection, and income from portability resulting from having more managed incoming portable vouchers than budgeted. (See page 1, line 13.)

Operating Expenses: The projected expenses for FY2017 are \$2,122,032, \$98,190 less than our original projection of \$2,220,222 (See page 1, line 47.)

- Salary and Benefits. The projected salary and benefits on February 28, 2017 are \$1,678,914 (\$1,117,713 + \$561,201), and \$38,335 less than our original projection at the beginning of the fiscal year, (\$1,143,123 + \$574,126 = \$1,717,249) (See page 1, lines 17 and 18.) resulting from the following:
 - The approved FY2016-2017 included 162 hours of salary for the previous Executive Director (approx. \$15,000) that we did not have to pay because she did not have to report to work in July or August as we anticipated.
 - We also saved significantly from not filling the Office Assistant II position with a permanent employee since July, 2016: approximately \$21,500 in salary and benefits. We anticipate this will fluctuate until we finalize staffing for this position.
 - Some \$10,000 reduction in benefits primarily resulting from adjusting the medical benefit plan coverage for two BHA staffers from family to two-member plans.
 - \$8,500 increase in projected Kaiser premium and cash-in-lieu because the actual increase in premium effective January 2017 of 14% exceeded our budgeted increase of 4.5%.
- Legal Fees dropped by approximately \$12,000. We budgeted an average of \$3,000 per month in legal expenses but our actual expenditures during the fiscal year only averaged \$1,160 per month. (See page 1, line 19.)
- Audit Fees. Our auditors agreed to expand the scope of service to include assistance in the preparation of the individualized actuarial report for BHA and information required by GASB 68 to be included in the audit report for an additional amount of \$3,200. (See page 1, line 23.)

- Consultants. Reduction of approximately \$16,000 in general consultant fees resulting from (1) having the Executive Director sit as hearing officer during informal hearings instead of hiring a Hearing Officer (\$5,000 savings), and (2) deferring approximately \$11,000 of the labor negotiator budget for the next fiscal year due to anticipated extension of the negotiation into the next fiscal year. (See page 1, line 34.)
- Software. We defer acquisition of Elite Portal software resulting in a savings of approximately \$7,600. This also resulted in a \$5,000 savings in Other General Expenses for maintenance fee. (See page 1, lines 36 and 45.)
- Inspections. Due to our declining unit utilization that resulted in fewer units to inspect, we anticipate that inspections cost will also drop by approximately \$6,300 in FY2017. (See page 1, line 37.)
- Insurance. We budgeted our insurance will be \$36,408 in FY2017. We now estimate it would only be approximately \$32,000 for the fiscal year, resulting in a savings of around \$4,200. (See page 1, line 44.)

Net Proceeds from Disposition of Public Housing Units: (Attachment G)

There is no significant change in the net proceeds balance on February 28, 2017 other than a small interest earned (\$67) during the month. The total net proceeds from the disposition of public housing units amount to \$2,753,474, of which \$2,395,424 are proceeds from the 61 federal units and subject to HUD's restriction; the remaining \$358,050 came from proceeds of the 14 state units.

We anticipate receiving repayment of seller's note or 60% of Berkeley 75's residual income (\$354,943) and oversight fee (\$5,305) from Related in the next couple of weeks.

Get-Ready Letter from HUD: (Attachment H)

On March 15, we received a "Get-Ready" Letter from HUD concerning funding for the Housing Choice Voucher program (HCV) in CY2017, and steps to take to support the funding process. We are currently operating under a Continuing Resolution (CR) through April 28, 2017. Whether a full year CR or Appropriation Act is enacted, HUD anticipates the 2017 Funding Information will be available near the end of June 2017. Until such time, we have to plan the operations of the HCV program based upon two funding possibilities that could result in a range of HAP and Administrative Fee proration levels. First, if HUD receives a full year CR where 2017 would be funded at the same level as the FY2016, HUD calculated an estimated proration of 94% for 2017 HAP funding, and 77% administrative fee pro-ration. Second, if Appropriations Act is enacted and HUD funding is based on either the Senate or House Appropriations Committee's budget priorities, HUD estimated a 97.5% pro-ration for HAP, and 80% (Senate) or 75% (House) administrative fee proration. While we do not know what the final appropriations will look like at this time, using a full year CR is a more conservative option. Unfortunately, a 94% HAP proration would only support 81.5% (1,577) of our 1,935 HCV vouchers, and 81.5% utilization and 77% administrative fee proration would result in an approximate \$470K deficit in FY2017.

Attachments:

- A. Budget Status Report: All Programs, February 28, 2017
- B. Budget Status Report: Section 8, February 28, 2017
- C. Budget Status Report: Moderate Rehabilitation, February 28, 2017
- D. Budget Status Report: LIPH, February 28, 2017
- E. Budget Status Report: BHA, February 28, 2017
- F. BHA Balance Sheet, February 28, 2017
- G. Disposition Proceeds Report, February 28, 2017
- H. Analysis of Cash Proceeds and Operating Shortfall, February 28, 2017
- I. "Get-Ready" Letter from HUD

FY2016 Budget vs Current Month, Year-To-Date, and Projected Annual Income and Expenses
 For the Period Ending February 28, 2017

DESCRIPTION	YEAR - TO - DATE					FY2017 ESTIMATED TOTAL			
	FY2017 BUDGET	FY2017 YTD BUDGET	FY2017 YTD ACTUAL	INCREASE (DECREASE)	%	FY2017 MAR-JUNE17 PROJECTED	FY2017 ESTIMATED TOTAL	INCREASE (DECREASE)	%
1 HOUSING ASSISTANCE PAYMENTS (HAP)									
2 HAP Received from HUD	\$ 26,789,810	\$17,859,873	\$ 16,785,826	\$ (1,074,047)	-6%	\$ 9,010,140	\$ 25,795,966	\$ (993,844)	-4%
3 Miscellaneous Income -HAP	\$ -	\$ -	\$ 5,292	\$ 5,292	100%	\$ -	\$ 5,292	\$ 5,292	100%
4 Less HAP Paid to Owners	\$ 29,380,218	\$19,586,812	\$ 16,845,315	\$ (2,741,498)	-14%	\$ 9,078,324	\$ 25,923,639	\$ (3,456,580)	-12%
5 HAP Surplus (Deficit)	\$ (2,590,408)	\$ (1,726,939)	\$ (54,197)	\$ 1,672,742		\$ (68,184)	\$ (122,381)	\$ 2,468,027	-95%
6 Use of Excess HAP Reserve	\$ 2,590,408	\$ 1,726,939	\$ 54,197	\$ (1,672,742)		\$ 68,184	\$ 122,381	\$ (2,468,027)	
7 Net HAP Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
9 OPERATING REVENUE									
10 Administrative Fees (S8 & MOD REHAB)	\$ 1,871,196	\$ 1,247,464	\$ 1,264,958	\$ 17,494	1%	\$ 594,085	\$ 1,859,043	\$ (12,153)	-1%
11 Administrative fees to other PHA on Port out	\$ (40,656)	\$ (27,104)	\$ (24,402)	\$ 2,702	-10%	\$ (13,516)	\$ (37,918)	\$ (2,738)	7%
12 Net Administrative Fees	\$ 1,830,540	\$ 1,220,360	\$ 1,240,556	\$ 20,196	2%	\$ 580,569	\$ 1,821,124	\$ (9,416)	-1%
19 BHA Oversight Fee	\$ 5,305	\$ -	\$ -	\$ -	0%	\$ 5,305	\$ 5,305	\$ -	0%
13 Miscellaneous Income	\$ 15,360	\$ 10,240	\$ 13,996	\$ 3,756	37%	\$ 5,137	\$ 19,133	\$ 3,773	25%
14 TOTAL OPERATING REVENUE	\$ 1,851,205	\$ 1,230,600	\$ 1,254,552	\$ 23,952	2%	\$ 591,011	\$ 1,845,563	\$ (5,642)	0%
15 OPERATING EXPENSES									
16 ADMINISTRATION									
17 Salaries	\$ 1,143,123	\$ 615,528	\$ 688,388	\$ 72,860	12%	\$ 429,325	\$ 1,117,713	\$ (25,410)	-2%
18 Employee Benefits	\$ 574,126	\$ 350,956	\$ 330,544	\$ (20,411)	-6%	\$ 230,657	\$ 561,201	\$ (12,925)	-2%
19 Legal Expense - Outside Counsel	\$ 36,000	\$ 24,000	\$ 9,282	\$ (14,718)	-61%	\$ 15,000	\$ 24,282	\$ (11,718)	-33%
20 Staff Training	\$ 7,200	\$ 4,800	\$ 4,952	\$ 152	3%	\$ 2,248	\$ 7,200	\$ -	0%
21 Travel/Transportation	\$ 6,231	\$ 4,154	\$ 3,538	\$ (616)	-15%	\$ 2,693	\$ 6,231	\$ -	0%
22 Office Rent	\$ 98,598	\$ 65,732	\$ 64,541	\$ (1,192)	-2%	\$ 32,866	\$ 97,407	\$ (1,192)	-1%
23 Audit Fees	\$ 18,900	\$ 12,600	\$ 22,100	\$ 9,500	75%	\$ -	\$ 22,100	\$ 3,200	17%
24 Publications & Subscriptions	\$ 5,975	\$ 3,983	\$ 4,113	\$ 129	3%	\$ 1,673	\$ 5,786	\$ (189)	-3%
25 Memberships & Dues	\$ 5,593	\$ 3,729	\$ 5,940	\$ 2,212	59%	\$ (471)	\$ 5,469	\$ (124)	-2%
26 Telephone	\$ 10,560	\$ 7,040	\$ 4,174	\$ (2,866)	-41%	\$ 6,386	\$ 10,560	\$ -	0%
27 Office Supplies	\$ 13,200	\$ 8,800	\$ 7,985	\$ (815)	-9%	\$ 5,215	\$ 13,200	\$ -	0%
28 Postage	\$ 14,701	\$ 9,801	\$ 9,602	\$ (199)	-2%	\$ 4,900	\$ 14,502	\$ (199)	-1%
29 Printing & Reproduction	\$ 9,600	\$ 6,400	\$ 5,043	\$ (1,357)	-21%	\$ 4,557	\$ 9,600	\$ -	0%
30 Equipment maintenance	\$ 6,360	\$ 4,240	\$ 5,560	\$ 1,320	31%	\$ 800	\$ 6,360	\$ -	0%
31 Equipment Lease	\$ 7,248	\$ 4,832	\$ 4,591	\$ (241)	-5%	\$ 1,991	\$ 6,582	\$ (666)	-9%
32 Advertising	\$ 2,400	\$ 1,600	\$ 583	\$ (1,017)	-64%	\$ -	\$ 583	\$ (1,817)	-76%
33 Messenger/delivery service	\$ 3,840	\$ 2,560	\$ -	\$ (2,560)	-100%	\$ -	\$ -	\$ (3,840)	-100%
34 Consultants - General Consultants	\$ 80,491	\$ 53,661	\$ 19,019	\$ (34,642)	-65%	\$ 45,522	\$ 64,541	\$ (15,950)	-20%
36 Software Maintenance	\$ 23,031	\$ 15,354	\$ 10,363	\$ (4,991)	-33%	\$ 5,059	\$ 15,422	\$ (7,609)	-33%
37 Inspection	\$ 82,015	\$ 54,677	\$ 46,575	\$ (8,102)	-15%	\$ 29,138	\$ 75,713	\$ (6,302)	-8%
38 Other Sundry Items (Includes Bank/FDIC Fees)	\$ 12,598	\$ 8,399	\$ 6,748	\$ (1,650)	-20%	\$ 4,199	\$ 10,948	\$ (1,650)	-13%
39 Total Administrative Expenses	\$ 2,161,790	\$ 1,262,844	\$ 1,253,639	\$ (9,205)	-1%	\$ 821,760	\$ 2,075,400	\$ (86,390)	-4%
40 ORDINARY MAINTENANCE									
41 Facilities maintenance	\$ 5,824	\$ 3,883	\$ 775	\$ (3,108)	-80%	\$ 2,550	\$ 3,324	\$ (2,500)	-43%
42 Total Ordinary Maintenance	5,824	3,883	775	(3,108)	-80%	2,550	3,324	(2,500)	-43%
43 GENERAL EXPENSES									
44 Insurance	\$ 36,408	\$ 24,272	\$ 21,509	\$ (2,763)	-11%	\$ 10,600	\$ 32,109	\$ (4,299)	-12%
45 Other General Expenses	\$ 16,200	\$ 10,800	\$ 689	\$ (10,111)	-94%	\$ 10,511	\$ 11,200	\$ (5,000)	-31%
46 Total General Expenses	52,608	35,072	22,198	(12,874)	-37%	21,111	43,309	(9,299)	-18%
47 TOTAL EXPENSES	\$ 2,220,222	\$ 1,301,799	\$ 1,276,611	\$ (25,187)		\$ 845,421	\$ 2,122,032	\$ (98,190)	-4%
48 Operating Surplus (Deficit)	\$ (369,017)	\$ (71,199)	\$ (22,059)	\$ 49,139		\$ (254,410)	\$ (276,470)	\$ (92,547)	25%
49 Use of reserves and disposition proceeds	\$ 369,017	\$ -	\$ 369,000	\$ 369,000	0%		\$ 369,000	\$ (17)	0%
50 Operating Surplus (Deficit) after use of proceeds	\$ -	\$ (71,199)	\$ 346,941	\$ 418,139		\$ (254,410)	\$ 92,530	\$ 92,530	
51 Disposition proceeds balance			\$ 2,753,475				\$ 2,753,475		

FY2016 Budget vs Current Month, Year-To-Date, and Projected Annual Income and Expenses
For the Period Ending February 28, 2017

DESCRIPTION	YEAR - TO - DATE					FY2017 ESTIMATED TOTAL			
	FY2017 BUDGET	FY2017 YTD BUDGET	FY2017 YTD ACTUAL	INCREASE (DECREASE)	%	FY2017 MAR-JUNE17 PROJECTED	FY2017 ESTIMATED TOTAL	INCREASE (DECREASE)	%
HUD Authorized Units ==>									
1 Housing Assistance Payments (HAP)									
2 HAP Received from HUD	\$ 26,065,394	\$ 17,376,929	\$ 16,302,882	\$ (1,074,047)	-6%	\$ 8,751,616	\$ 25,054,498	\$ (1,010,896)	-4%
3 Miscellaneous Income -HAP			\$ 5,292	\$ 5,292	100%		\$ 5,292	\$ 5,292	100%
4 Less HAP Paid to Owners	28,655,802	\$ 19,103,868	\$ 16,355,801	\$ (2,748,068)	-14%	\$ 8,826,370	\$ 25,182,171	\$ (3,473,632)	-12%
5 HAP Surplus (Deficit)	\$ (2,590,408)	\$ (1,726,939)	\$ (47,627)	\$ 1,679,312		\$ (74,754)	\$ (122,381)	\$ 2,468,027	
6 Use of Excess HAP Reserve			\$ 47,627	\$ (1,679,312)			\$ 122,381		
7 Net HAP Surplus (Deficit)	\$ (2,590,408)	\$ (1,726,939)	\$ -	\$ -			\$ 0		
9 OPERATING REVENUE									
10 Administrative Fees (S8)	1,735,279	\$ 1,156,853	\$ 1,174,345	\$ 17,492	2%	\$ 546,388	\$ 1,720,733	\$ (14,546)	-1%
11 Administrative fees to other PHA on Port out	(40,656)	\$ (27,104)	\$ (24,402)	\$ 2,702	-10%	\$ (13,516)	\$ (37,918)	\$ (2,738)	7%
12 Net Administrative Fees	1,694,623	\$ 1,129,749	\$ 1,149,943	\$ 20,194	2%	\$ 532,872	\$ 1,682,814	\$ (11,809)	-1%
13 BHA Oversight Fee	5,305		\$ -	\$ -	0%	\$ 5,305	\$ 5,305	\$ -	0%
Miscellaneous Income	15,360	\$ 10,240	\$ 13,334	\$ 3,094	30%	\$ 5,120	\$ 18,454	\$ 3,094	20%
14 TOTAL OPERATING REVENUE	\$ 1,715,288	\$ 1,139,989	\$ 1,163,277	\$ 23,288	2%	\$ 543,297	\$ 1,706,574	\$ (8,714)	-1%
15 OPERATING EXPENSES									
16 ADMINISTRATION									
17 Salaries	1,071,881	\$ 577,167	\$ 645,867	\$ 68,700	12%	\$ 402,458	\$ 1,048,324	\$ (23,557)	-2%
18 Employee Benefits	536,774	\$ 327,644	\$ 308,672	\$ (18,973)	-6%	\$ 215,812	\$ 524,483	\$ (12,291)	-2%
19 Legal Expense - Outside Counsel	34,200	\$ 22,800	\$ 8,818	\$ (13,982)	-61%	\$ 14,250	\$ 23,068	\$ (11,132)	-33%
20 Staff Training	6,840	\$ 4,560	\$ 4,727	\$ 167	4%	\$ 2,113	\$ 6,840	\$ -	0%
21 Travel/Transportation	5,919	\$ 3,946	\$ 3,388	\$ (558)	-14%	\$ 2,531	\$ 5,919	\$ -	0%
22 Office Rent	93,668	\$ 62,445	\$ 61,313	\$ (1,132)	-2%	\$ 31,223	\$ 92,536	\$ (1,132)	-1%
23 Audit Fees	16,400	\$ 10,933	\$ 19,600	\$ 8,667	79%		\$ 19,600	\$ 3,200	20%
24 Publications & Subscriptions	5,676	\$ 3,784	\$ 3,907	\$ 123	3%	\$ 1,590	\$ 5,487	\$ (189)	-3%
25 Memberships & Dues	5,313	\$ 3,542	\$ 5,643	\$ 2,101	59%	\$ (448)	\$ 5,195	\$ (118)	-2%
26 Telephone	10,032	\$ 6,688	\$ 3,832	\$ (2,856)	-43%	\$ 6,200	\$ 10,032	\$ -	0%
27 Office Supplies	12,540	\$ 8,360	\$ 7,585	\$ (775)	-9%	\$ 4,955	\$ 12,540	\$ -	0%
28 Postage	13,312	\$ 8,875	\$ 9,121	\$ 246	3%	\$ 4,437	\$ 13,558	\$ 246	2%
29 Printing & Reproduction	9,120	\$ 6,080	\$ 4,858	\$ (1,222)	-20%	\$ 4,262	\$ 9,120	\$ -	0%
30 Equipment maintenance	6,042	\$ 4,028	\$ 5,282	\$ 1,254	31%	\$ 760	\$ 6,042	\$ -	0%
31 Equipment Lease	6,886	\$ 4,591	\$ 4,361	\$ (229)	-5%	\$ 1,892	\$ 6,253	\$ (633)	-9%
32 Advertising	2,280	\$ 1,520	\$ 554	\$ (966)	-64%	\$ -	\$ 554	\$ (1,726)	-76%
33 Messenger/delivery service	3,648	\$ 2,432	\$ -	\$ (2,432)	-100%	\$ -	\$ -	\$ (3,648)	-100%
34 Consultants - General Consultants	76,466	\$ 50,977	\$ 18,068	\$ (32,909)	-65%	\$ 43,246	\$ 61,314	\$ (15,153)	-20%
36 Software Maintenance	21,879	\$ 14,586	\$ 9,845	\$ (4,741)	-33%	\$ 4,806	\$ 14,651	\$ (7,228)	-33%
37 Inspection	77,948	\$ 51,965	\$ 44,246	\$ (7,719)	-15%	\$ 27,693	\$ 71,939	\$ (6,009)	-8%
38 Other Sundry Items	11,970	\$ 7,980	\$ 5,956	\$ (2,024)	-25%	\$ 3,990	\$ 9,946	\$ (2,024)	-17%
39 Total Administrative Expenses	\$ 2,028,794	\$ 1,184,903	\$ 1,175,644	\$ (9,259)	-1%	\$ 771,758	\$ 1,947,402	\$ (81,392)	-4%
40 ORDINARY MAINTENANCE									
41 Facilities maintenance	5,533	\$ 3,689	\$ 736	\$ (2,953)	-80%	\$ 2,422	\$ 3,158	\$ (2,375)	-43%
42 Total Ordinary Maintenance	5,533	3,689	736	(2,953)	-80%	2,422	3,158	(2,375)	-43%
43 GENERAL EXPENSE									
44 Insurance	34,588	\$ 23,059	\$ 20,433	\$ (2,625)	-11%	10,000	\$ 30,433	\$ (4,155)	-12%
45 Other General Expenses	15,390	\$ 10,260	\$ 655	\$ (9,605)	-94%	\$ 9,985	\$ 10,640	\$ (4,750)	-31%
46 Total General Expenses	49,978	33,319	21,088	(12,230)	-37%	19,985	41,073	(8,905)	-18%
47 TOTAL EXPENSES	\$ 2,084,305	\$ 1,221,911	\$ 1,197,468	\$ (24,443)	-2%	\$ 794,165	\$ 1,991,633	\$ (92,672)	-4%
48 Operating Surplus (Deficit)	\$ (369,017)	\$ (81,922)	\$ (34,191)	\$ 47,731	-58%	\$ (250,868)	\$ (285,059)	\$ (83,958)	23%
49 Use of reserves and disposition proceeds	\$ 369,017	\$ 81,922		\$ (81,922)	0%	\$ 369,000	\$ 369,000	\$ (17)	100%
50 Operating Surplus (Deficit) after use of proceeds	\$ -	\$ -	\$ 334,809	\$ (34,191)		\$ 118,132	\$ 83,941	\$ (83,941)	
51 Disposition proceeds balance			\$ 2,753,475				\$ 2,753,475		

HAP Reserve, 06/30/2016	109,508
Income(Loss)	(122,381)
Estimated Prog. HAP Reserve, 06/30/2016	(12,872)
Add: Reserve held by HUD	1,915,746
Total Reserve Available for HAP expenses, 06/30/2017	<u>1,902,874</u>
Operating Reserve, 06/30/2016	6,311
Income(Loss)	83,941
Estimated Operating Reserve, 06/30/2017	<u>90,251</u>

FY2016 Budget vs Current Month, Year-To-Date, and Projected Annual Income and Expenses
For the Period Ending February 28, 2017

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DESCRIPTION	YEAR - TO - DATE					FY2017 ESTIMATED TOTAL			
	FY2017 BUDGET	FY2017 YTD BUDGET	FY2017 YTD ACTUAL	INCREASE (DECREASE)	%	FY2017 MAR-JUNE17 PROJECTED	FY2017 ESTIMATED TOTAL	INCREASE (DECREASE)	%
HUD Authorized Units ==>									
1 Housing Assistance Payments (HAP)									
2 HAP Received from HUD	\$ 724,416	\$ 482,944	\$ 482,944	\$ -	0%	\$ 258,524	\$ 741,468	\$ 17,052	2%
4 Less HAP Paid to Owners	724,416	\$ 482,944	\$ 489,514	\$ 6,570	1%	\$ 251,954	\$ 741,468	\$ 17,052	2%
5 HAP Surplus (Deficit)	\$ -	\$ -	\$ (6,570)	\$ (6,570)		\$ 6,570	\$ -	\$ -	
6 Use of Excess HAP Reserve	\$ -	\$ -	\$ 6,570	\$ 6,570		\$ (6,570)	\$ -	\$ -	
7 Net HAP Surplus (Deficit)	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
9 OPERATING REVENUE									
10 Administrative Fees (MOD REHAB)	135,917	\$ 90,611	\$ 90,613	\$ 2	0%	\$ 47,697	\$ 138,310	\$ 2,393	2%
11 Administrative fees to other PHA on Port out		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
12 Net Administrative Fees	135,917	\$ 90,611	\$ 90,613	\$ 2	0%	\$ 306,222	\$ 138,310	\$ 2,393	2%
13 Miscellaneous Income		\$ -	\$ 11	\$ 11	100%	\$ -	\$ 11	\$ 11	100%
14 TOTAL OPERATING REVENUE	\$ 135,917	\$ 90,611	\$ 90,624	\$ 12	0%	\$ 306,222	\$ 138,321	\$ 2,404	2%
15 OPERATING EXPENSES									
16 ADMINISTRATION									
17 Salaries	71,242	\$ 38,361	\$ 42,522	\$ 4,161	11%	\$ 26,867	\$ 69,388	\$ (1,854)	-3%
18 Employee Benefits	37,352	\$ 23,312	\$ 21,873	\$ (1,439)	-6%	\$ 14,845	\$ 36,718	\$ (634)	-2%
19 Legal Expense - Outside Counsel	1,800	\$ 1,200	\$ 464	\$ (736)	-61%	\$ 750	\$ 1,214	\$ (586)	-33%
20 Staff Training	360	\$ 240	\$ 224	\$ (16)	-7%	\$ 136	\$ 360	\$ -	0%
21 Travel/Transportation	312	\$ 208	\$ 150	\$ (58)	-28%	\$ 162	\$ 312	\$ -	0%
22 Office Rent	4,930	\$ 3,287	\$ 3,227	\$ (60)	-2%	\$ 1,643	\$ 4,870	\$ (60)	-1%
23 Audit Fees	2,500	\$ 1,667	\$ 2,500	\$ 833	50%	\$ -	\$ 2,500	\$ -	0%
24 Publications & Subscriptions	299	\$ 199	\$ 206	\$ 6	3%	\$ 93	\$ 299	\$ -	0%
25 Memberships & Dues	280	\$ 187	\$ 297	\$ 110	59%	\$ (24)	\$ 273	\$ (7)	-2%
26 Telephone	528	\$ 352	\$ 341	\$ (11)	-3%	\$ 187	\$ 528	\$ -	0%
27 Office Supplies	660	\$ 440	\$ 399	\$ (41)	-9%	\$ 261	\$ 660	\$ -	0%
28 Postage	1,389	\$ 926	\$ 481	\$ (445)	-48%	\$ 463	\$ 944	\$ (445)	-32%
29 Printing & Reproduction	480	\$ 320	\$ 184	\$ (136)	-42%	\$ 296	\$ 480	\$ -	0%
30 Equipment maintenance	318	\$ 212	\$ 278	\$ 66	31%	\$ 40	\$ 318	\$ -	0%
31 Equipment Lease	362	\$ 241	\$ 230	\$ (12)	-5%	\$ 99	\$ 329	\$ (33)	-9%
32 Advertising	120	\$ 80	\$ 29	\$ (51)	-64%	\$ -	\$ 29	\$ (91)	-76%
33 Messenger/delivery service	192	\$ 128	\$ -	\$ (128)	-100%	\$ -	\$ -	\$ (192)	-100%
34 Consultants - General Consultants	4,025	\$ 2,683	\$ 951	\$ (1,732)	-65%	\$ 2,277	\$ 3,228	\$ (798)	-20%
36 Software Maintenance	1,152	\$ 768	\$ 518	\$ (250)	-33%	\$ 253	\$ 771	\$ (381)	-33%
37 Inspection	4,067	\$ 2,711	\$ 2,329	\$ (383)	-14%	\$ 1,446	\$ 3,774	\$ (293)	-7%
38 Other Sundry Items	628	\$ 419	\$ 793	\$ 374	89%	\$ 209	\$ 1,002	\$ 374	60%
39 Total Administrative Expenses	\$ 132,996	\$ 77,941	\$ 77,995	\$ 54	0%	\$ 50,003	\$ 127,998	\$ (4,998)	-4%
40 ORDINARY MAINTENANCE									
41 Facilities maintenance	291	\$ 194	\$ 39	\$ (155)	-80%	\$ 127	\$ 166	\$ (125)	-43%
42 Total Ordinary Maintenance	291	194	39	\$ (155)	-80%	127	166	\$ (125)	-43%
43 GENERAL EXPENSE									
44 Insurance	1,820	\$ 1,213	\$ 1,075	\$ (138)	-11%	600	\$ 1,675	\$ (145)	-8%
45 Other General Expenses	810	\$ 540	\$ 34	\$ (506)	-94%	\$ 526	\$ 560	\$ (250)	-31%
46 Total General Expenses	2,630	1,753	1,109	\$ (644)	-37%	1,126	2,235	\$ (395)	-15%
47 TOTAL EXPENSES	\$ 135,917	\$ 90,611	\$ 79,143	\$ (11,468)	-13%	\$ 51,256	\$ 130,399	\$ (5,518)	-4%
48 Operating Surplus (Deficit)	\$ -	\$ -	\$ 11,480	\$ 11,480	0%	\$ 254,966	\$ 7,921	\$ 7,921	0%
49 USE OF OPERATING RESERVE		\$ -	\$ -	\$ -	0%				100%
50 Operating Surplus (Deficit) after use of proceeds	\$ -	\$ -	\$ 11,480	\$ 11,480	0%	\$ 254,966	\$ 7,921	\$ 7,921	

HAP Reserve, 6/30/16	-
Income(Loss)	-
Estimated Prog. HAP Reserve, 06/30/2017	-
Operating Reserve, 6/30/16	75,048
Income(Loss)	7,921
Est. Operating Reserve, 6/30/2017	82,969

DESCRIPTION	YEAR - TO - DATE					FY2017 ESTIMATED TOTAL			
	FY2017 BUDGET	FY2017 YTD BUDGET	FY2017 YTD ACTUAL	INCREASE (DECREASE)	%	FY2017 BUDGET	ESTIMATED TOTAL	INCREASE (DECREASE)	%
HUD Authorized Units ==>	(a)	(d)	(e)	(d-e)		(f)	(g) = (e+f)	(g - a)	
(1)	(a)	(d)	(e)	(d-e)		(f)	(g) = (e+f)	(g - a)	
OPERATING REVENUE									
Miscellaneous Income		\$ -	\$ 520	\$ 520	100%		\$ 520	\$ 520	
TOTAL Total Operating & Capital Improvement Revenue	\$ -	\$ -	\$ 520	\$ 520	100%	\$ -	\$ 520	\$ 520	
OPERATING & CAPITAL IMPROVEMENT REVENUE - OTHER									
ADMINISTRATION									
Legal Expense - Outside Counsel		\$ -	\$ -	\$ -	100%		\$ -	\$ -	
Consultants - General Consultants		\$ -	\$ -	\$ -	100%		\$ -	\$ -	
	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	
DISPOSITION EXPENSES									
HUD Disposition Consulting		\$ -	\$ -	\$ -			\$ -	\$ -	
Specialized Legal Services		\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Others (Security & Construction Consulting)		\$ -	\$ -	\$ -			\$ -	\$ -	
Total Disposition Expenses	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Total Operating Expenses	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	
Total Expenses	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ -	
Operating Surplus (Deficit)	\$ -	\$ -	\$ 520	\$ 520		\$ -	\$ 520	\$ 520	
TRANSFER OF DISPOSITION NET PROCEEDS TO S8 LONG TERM FUND	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -	
Operating Surplus (Deficit) after use of proceeds	\$ -	\$ -	\$ 520	\$ 520		\$ -	\$ 520	\$ 520	

DESCRIPTION	YEAR - TO - DATE					FY2017 ESTIMATED TOTAL			
	FY2017 BUDGET	FY2017 YTD BUDGET	FY2017 YTD ACTUAL	INCREASE (DECREASE)	%	FY2017 MAR-JUNE17 PROJECTED	FY2017 ESTIMATED TOTAL	INCREASE (DECREASE)	%
OPERATING REVENUE									
Miscellaneous Income		\$ -	\$ 132	\$ 132	100%	\$ 17	\$ 148	\$ 148	
TOTAL OPERATING REVENUE	\$ -	\$ -	\$ 132	\$ 132	100%	\$ 17	\$ 148	\$ 148	
OPERATING & CAPITAL IMPROVEMENT REVENUE - OTHER									
ADMINISTRATION									
Salaries		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	
Employee Benefits		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	
Total Administrative Expenses	\$ -	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	
GENERAL EXPENSE									
Collection losses		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	
Other General Expenses		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	
Total General Expenses	-	-	-	\$ -	0%	-	-	\$ -	
OPERATING TRANSFER IN/OUT				\$ -				\$ -	
TOTAL OPERATING EXPENSES	-	-	-	-	0%	-	-	-	
TOTAL EXPENSES	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -	
Operating Surplus (Deficit)	\$ -	\$ -	\$ 132	\$ 132	\$ 100	\$ 17	\$ 148	\$ 148	
TRANSFER OF DISPOSITION NET PROCEEDS TO S8 LONG TERM FUND		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	
Operating Surplus (Deficit) after use of proceeds	\$ -	\$ -	\$ 132	\$ 132	\$ 100	\$ 17	\$ 148	\$ 148	



Balance Sheet
As of February 28, 2017

<u>Assets</u>	Total Amount	101 Voucher/FSS	102 Mod Rehab.	201 LIPH	205 BHA	501 Security Deposit Loan
Current Assets						
Cash & Equivalents	\$ 4,722,273.45	\$ 1,183,854.20	\$ 135,445.35	\$ 2,395,423.95	\$ 1,007,549.95	\$ 0.00
A/R - Tenants	\$ 3,866.12	\$ 0.00	\$ 0.00	\$ 0.00	\$ 3,866.12	\$ 0.00
A/R - Federal Govn	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
A/R - Intercompany	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Prepaid Expenses	\$ 17,017.20	\$ 16,166.32	\$ 850.88	\$ 0.00	\$ 0.00	\$ 0.00
A/R - Other	\$ 56,691.08	\$ 54,091.08	\$ 1,000.00	\$ 0.00	\$ 1,600.00	\$ 0.00
Accrued Interest	\$ 103,802.51	\$ 0.00	\$ 0.00	\$ 86,183.54	\$ 17,618.97	\$ 0.00
Total Current Assets	\$ 4,903,650.36	\$ 1,254,111.60	\$ 137,296.23	\$ 2,481,607.49	\$ 1,030,635.04	\$ 0.00
Non Current Assets						
AR - Notes	\$ 11,780,420.00	\$ 0.00	\$ 0.00	\$ 9,778,599.57	\$ 2,001,820.43	\$ 0.00
Fixed Assets						
Land	\$ 2,579,621.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 2,579,621.00	\$ 0.00
Furniture & equipment	\$ 73,015.41	\$ 56,426.41	\$ 3,526.82	\$ 0.00	\$ 13,062.18	\$ 0.00
Building and improvements	\$ 132,605.88	\$ 115,563.03	\$ 6,630.31	\$ 0.00	\$ 10,412.54	\$ 0.00
Depreciation	\$ (92,009.52)	\$ (73,373.41)	\$ (4,476.51)	\$ 0.00	\$ (14,159.60)	\$ 0.00
Net Assets	\$ 2,693,232.77	\$ 98,616.03	\$ 5,680.62	\$ 0.00	\$ 2,588,936.12	\$ 0.00
Deferred Outflow of Resources	\$ 430,059.00	\$ 408,556.05	\$ 21,502.95	\$ 0.00	\$ 0.00	\$ 0.00
TOTAL ASSETS	\$ 19,807,362.13	\$ 1,761,283.68	\$ 164,479.80	\$ 12,260,207.06	\$ 5,621,391.59	\$ 0.00
Liabilities and Net Assets						
Liability						
Current Liability						
A/P - Other	\$ 31,570.42	\$ 30,936.13	\$ 634.29	\$ 0.00	\$ 0.00	\$ 0.00
A/P - City of Berkeley	\$ 17,651.62	\$ 16,786.83	\$ 864.79	\$ 0.00	\$ 0.00	\$ 0.00
A/P - HUD	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
A/P - Intercompany	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Accrued Liabilities - Current	\$ 12,432.10	\$ 11,401.33	\$ 1,030.77	\$ 0.00	\$ 0.00	\$ 0.00
Tenant Security Deposit	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Debt Obligations - Current	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total Current Liability	\$ 61,654.14	\$ 59,124.29	\$ 2,529.85	\$ 0.00	\$ 0.00	\$ 0.00
Non Current Liability						
Debt Obligations - Non Curre	\$ 300,000.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 300,000.00	\$ 0.00
Accrued Liabilities - Non Cur	\$ 65,228.68	\$ 59,820.44	\$ 5,408.24	\$ 0.00	\$ 0.00	\$ 0.00
Deferred Revenue	\$ 9,800,901.53	\$ 0.00	\$ 0.00	\$ 9,800,901.53	\$ 0.00	\$ 0.00
Net Pension & Ret Med Liabi	\$ 767,449.00	\$ 691,574.08	\$ 47,265.38	\$ 0.00	\$ 28,609.54	\$ 0.00
Total Non Current Liability	\$ 10,933,579.21	\$ 751,394.52	\$ 52,673.62	\$ 9,800,901.53	\$ 328,609.54	\$ 0.00
Deferred Inflow of Resources	\$ 472,784.00	\$ 449,144.80	\$ 23,639.20	\$ 0.00	\$ 0.00	\$ 0.00
Total Liability	\$ 11,468,017.35	\$ 1,259,663.61	\$ 78,842.67	\$ 9,800,901.53	\$ 328,609.54	\$ 0.00
Net Assets						
Net Assets - Restricted	\$ 55,311.87	\$ 61,881.87	\$ (6,570.00)	\$ 0.00	\$ 0.00	\$ 0.00
Net Assets - Capital Assets	\$ 2,693,232.77	\$ 98,616.03	\$ 5,680.62	\$ 0.00	\$ 2,588,936.12	\$ 0.00
Net Assets- Unrestricted	\$ 5,590,800.14	\$ 341,122.17	\$ 86,526.51	\$ 2,459,305.53	\$ 2,703,845.93	\$ 0.00
Total Net Assets	\$ 8,339,344.78	\$ 501,620.07	\$ 85,637.13	\$ 2,459,305.53	\$ 5,292,782.05	\$ 0.00
Total Liability and Net Assets	\$ 19,807,362.13	\$ 1,761,283.68	\$ 164,479.80	\$ 12,260,207.06	\$ 5,621,391.59	\$ 0.00

BERKELEY HOUSING AUTHORITY
Disposition Proceeds Report
As of February 28, 2017

ATTACHMENT G

DISPOSITION PROCEEDS:	DATE/REF	LIPH	RHCP	BHA/99/2/MR	TOTAL
Gross sale/dispo Proceeds to Date:		\$ 12,608,037.00	\$ 2,893,647.87		\$ 15,501,684.87
Less Seller Loan (83%: 17%)		\$ (9,820,127.57)	\$ (2,011,351.43)		\$ (11,831,479.00)
Proceeds from disposition		\$ 2,787,909.43	\$ 882,296.44		\$ 3,670,205.87
Less selling expense					
Real Estate Tax Lien		\$ (467.46)	\$ (107.29)		\$ (574.75)
Real Estate Tax Lien		\$ (180.17)	\$ (41.35)		\$ (221.52)
Rent adj (15 days) remitted to Berkeley 75		\$ (1,408.85)	\$ (323.34)		\$ (1,732.19)
Security		\$ (13,075.15)	\$ (3,000.85)		\$ (16,076.00)
County transfer tax		\$ (13,869.12)	\$ (3,183.08)		\$ (17,052.20)
City Transfer tax		\$ (94,560.28)	\$ (21,702.36)		\$ (116,262.64)
Net Proceeds from disposition		\$ 2,664,348.40	\$ 853,938.17		\$ 3,518,286.57
Other receipts					
Grant from the City of Berkeley, equivalent to amount of transfer tax paid		\$ 94,560.28	\$ 21,702.36	\$ 116,262.64	\$ 232,525.00
2nd equity payment, 12/23/2014	12/23/2014	\$ 41,528.00	\$ 9,531.00		\$ 51,059.00
Interest	02/2014 - 06/30/2014	\$ 298.77			\$ 298.77
Interest	07/2014-06/30/2015	\$ 779.40		\$ 94.87	\$ 874.27
Interest	07/01/2015-06/30/2016	\$ 771.82		\$ 127.90	\$ 899.72
Interest	07/01/2016-02/28/2017	\$ 519.70		\$ 102.04	\$ 621.74
Cost Savings	1/15/2016	\$ 291,298.00	\$ 59,663.00		\$ 350,961.00
Residual income (60%), CY2015	4/4/2016	\$ 396,574.83	\$ 81,226.17		\$ 477,801.00
Total dispo proceeds received to date:		\$ 3,490,679.20	\$ 1,026,060.70	\$ 116,597.17	\$ 4,633,327.07
Use of Disposition Proceeds					
Relocation of BHA Offices & acquisition of new furniture	HUD letter, 1/15/14	\$ (178,990.25)			\$ (178,990.25)
Relocation expenses	HUD letter, 1/15/14	\$ (213,739.00)	\$ (20,908.00)		\$ (234,647.00)
RHCP Loan			\$ (763,689.00)		\$ (763,689.00)
Wire transfer		\$ (15.00)			\$ (15.00)
FY2016 Budget Shortfall	HUD letter, 06/04/15	\$ (252,000.00)			\$ (252,000.00)
FY2015 Budget Shortfall (Check# 1004)	HUD letter, 1/15/14	\$ (81,511.00)			\$ (81,511.00)
FY2017 Budget Shortfall	Letter to HUD, 06/21/16	\$ (369,000.00)			\$ (369,000.00)
Total uses		\$ (1,095,255.25)	\$ (784,597.00)		\$ (1,879,852.25)
Net Proceeds Balance, 01/31/2017		\$ 2,395,423.95	\$ 241,463.70	\$ 116,597.17	\$ 2,753,474.82

BERKELEY HOUSING AUTHORITY
 ANALYSIS OF Cash Proceeds and Operating Shortfall
 As of January 31, 2017

ATTACHMENT H

Sources: 1) Escrow Closing Statement
 2) Cash Flow Analysis, Berkeley Scattered Site - 75 Units v7.2 emailed on 11/10/2015

Revenue:	
Sales Price	\$ 15,501,685.00
Seller's Note	\$ (11,831,479.00)
Refund of transfer tax	\$ 232,535.00
RHCP Loan	\$ (763,689.00)
Initial proceeds	
Other expenses	\$ (151,919.30)
Net Proceeds	\$ 2,987,133
Less Office Move	\$ (178,990)
Relocation expenses not covered by ARF	\$ (234,646)
Net Proceeds	\$ 2,573,495

Other Assumptions
 Government Insured Investment Rate 0.03%
 Changes in Expenses 3.00%

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	REMARKS
FY	Beginning Balance	Interest on Reserves	BHA Revenue (Cash Flow)	Supportive Services	Sec. 8 Admin Shortfall not covered by reserve (13 FTE)	Ending Balance	Balance per HUD Approval (\$2.7M) + RHCP Units Proceeds (13 FTE)		
0	2013	\$ -	\$ -	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 4,896,954.60	
1	2014	\$ 100,000	\$ 299	\$ 2,473,495	\$ -	\$ -	\$ 2,573,793		
2	2015	\$ 2,573,793	\$ 859	\$ 51,059	\$ -	\$ (81,511)	\$ 2,544,201	\$ 4,815,443.60	
3	2016	\$ 2,544,201	\$ 890	\$ 828,762	\$ -	\$ (252,000)	\$ 3,121,853	\$ 4,563,443.60	
4	2017	\$ 3,121,853	\$ 331	\$ 318,704	\$ -	\$ (369,000)	\$ 3,071,888	\$ 4,194,443.60	
5	2018	\$ 3,071,888	\$ 922	\$ 338,496	\$ -	\$ (464,136)	\$ 2,947,169	\$ 3,730,307.40	
6	2019	\$ 2,947,169	\$ 884	\$ 358,734	\$ -	\$ (545,013)	\$ 2,761,775	\$ 3,185,294.64	
7	2020	\$ 2,761,775	\$ 829	\$ 379,426	\$ -	\$ (561,363)	\$ 2,580,666	\$ 2,623,931.50	
8	2021	\$ 2,580,666	\$ 774	\$ 400,583	\$ -	\$ (578,204)	\$ 2,403,819	\$ 2,045,727.47	1) \$2.7 million approved by HUD runs out. 2) Amendment to dispo approval (6th) to allow BHA to use net proceeds in excess of \$2.7 million for S8 operations.
9	2022	\$ 2,403,819	\$ 721	\$ 422,215	\$ -	\$ (595,550)	\$ 2,231,205	\$ 1,450,177.31	
10	2023	\$ 2,231,205	\$ 669	\$ 444,331	\$ -	\$ (613,417)	\$ 2,062,789	\$ 836,760.65	
11	2024	\$ 2,062,789	\$ 619	\$ 458,942	\$ -	\$ (631,819)	\$ 1,889,930	\$ 204,921.49	3) Available dispo proceeds not requiring further HUD approval (\$2.7 M + RHCP proceeds) runs out
12	2025	\$ 1,889,930	\$ 570	\$ 490,060	\$ -	\$ (650,774)	\$ 1,738,386	\$ (445,832.24)	
13	2026	\$ 1,738,386	\$ 522	\$ 513,694	\$ -	\$ (670,297)	\$ 1,582,305		
14	2027	\$ 1,582,305	\$ 475	\$ 537,856	\$ -	\$ (690,406)	\$ 1,430,230		
15	2028	\$ 1,430,230	\$ 429	\$ 562,557	\$ -	\$ (711,118)	\$ 1,282,098		
16	2029	\$ 1,282,098	\$ 385	\$ 597,603	\$ -	\$ (732,452)	\$ 1,147,634		
17	2030	\$ 1,147,634	\$ 344	\$ 624,218	\$ -	\$ (754,425)	\$ 1,017,771		
18	2031	\$ 1,017,771	\$ 305	\$ 651,437	\$ -	\$ (777,058)	\$ 892,455		
19	2032	\$ 892,455	\$ 268	\$ 679,272	\$ -	\$ (800,370)	\$ 771,626		
20	2033	\$ 771,626	\$ 231	\$ 707,736	\$ -	\$ (824,381)	\$ 655,212		
21	2034	\$ 655,212	\$ 197	\$ 736,841	\$ -	\$ (849,112)	\$ 543,138		4) Berkeley 75 permanent loan matures.
22	2035	\$ 543,138	\$ 163	\$ 1,032,041	\$ -	\$ (874,585)	\$ 700,756		
23	2036	\$ 700,756	\$ 210	\$ 1,328,189	\$ -	\$ (900,823)	\$ 1,128,332		
24	2037	\$ 1,128,332	\$ 338	\$ 1,359,595	\$ -	\$ (927,848)	\$ 1,560,418		
25	2038	\$ 1,560,418	\$ 468	\$ 1,391,700	\$ -	\$ (955,663)	\$ 1,996,903		
26	2039	\$ 1,996,903	\$ 599	\$ 1,424,523	\$ -	\$ (984,354)	\$ 2,437,672		
27	2040	\$ 2,437,672	\$ 731	\$ 1,458,089	\$ -	\$ (1,013,884)	\$ 2,882,608		
28	2041	\$ 2,882,608	\$ 865	\$ 1,492,433	\$ -	\$ (1,044,301)	\$ 3,331,605		
29	2042	\$ 3,331,605	\$ 999	\$ 1,527,623	\$ -	\$ (1,075,630)	\$ 3,784,597		
30	2043	\$ 3,784,597	\$ 1,135	\$ 359,429	\$ -	\$ (1,107,899)	\$ 3,037,263		5) Seller's note paid off
31	2044	\$ 3,037,263	\$ 911	\$ -	\$ -	\$ (1,141,136)	\$ 1,897,038		
32	2045	\$ 1,897,038	\$ 569	\$ -	\$ -	\$ (1,175,370)	\$ 722,238		
33	2046	\$ 722,238	\$ 217	\$ -	\$ -	\$ (1,210,631)	\$ (488,176)		6) 100% of net proceeds runs out

Note: Above cash flow assumes an annual 3% increase in the projected shortfall. Net proceeds will run out faster should annual inflation exceed 3%.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

MAR 15 2017

OFFICE OF PUBLIC AND INDIAN HOUSING

Dear Executive Director:

2017 Housing Choice Voucher Program (HCVP) Renewal Awards:

The purpose of this letter is to follow up on the communication provided to your public housing agency (PHA) in January 2017, concerning the calendar year (CY) 2017 Housing Choice Voucher (HCV) renewal funding, and steps you must take to support the funding process. The Department is currently operating under a Continuing Resolution (CR) until April 28, 2017. HUD would typically have 60 days to calculate the PHAs' renewal funding and send renewal award notifications once a full year CR or Appropriations Act is enacted. While HUD would expedite this process as much as possible, it is likely that PHAs would receive 2017 funding information near the end of June 2017. In order to assist you in operating your program until a definitive funding level is known for 2017 HUD offers the following guidance.

HUD has evaluated several 2017 funding possibilities that result in a range of Housing Assistance Payments (HAP) and Administrative Fee proration levels. First, HUD could receive a full year CR where 2017 would be funded at the same level as the FY 2016 Appropriation amount. In the full year CR scenario, HUD has calculated an estimated proration of 94% for 2017 HAP funding, and 77% Administrative Fee proration. Secondly, HUD could receive an Appropriation Act, whereby Congress implements HCV funding based on either the Senate or House Appropriations Committees' budget priorities. HUD has evaluated these funding scenarios based on both the TBRA Senate Bill - HR 2577 and the TBRA House Bill - 114, and has calculated an estimated HAP proration of 97.5%. The Administrative Fee proration factors for these proposed Bills are anticipated at 80% and 75%, respectively.

As always, the proration levels described above were calculated by estimating the full HCV program need for 2017 and comparing the program need to the available funding. To estimate program need, we estimate increases in units leased and changes in per unit cost, and then apply an inflation factor. For 2017, there is a substantial inflation factor that impacted the proration levels above. All PHAs will have an inflation factor of at least 2.58% and approximately 40% of PHAs will have an inflation factor higher than 2.58%. HUD will publish the annual inflation factors in the Federal Register when the full year funding is known, either through a full year CR or an Appropriations Act.

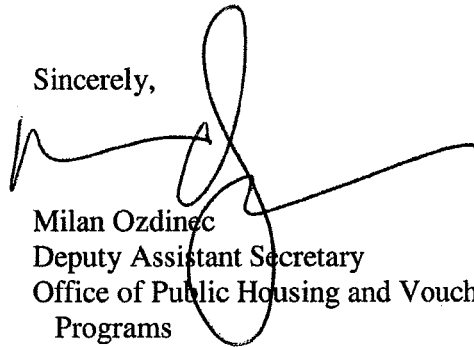
HUD anticipates that funding eligibility for non-Moving to Work (non-MTW) agencies will continue to be based on actual and eligible HCV HAP expenses incurred during CY 2016, as reported by your PHA in the Voucher Management System (VMS). The renewal funding eligibility for MTW agencies will be in accordance with the terms of their individual MTW agreements.

While HUD does not know what the final appropriations level will be, a full year CR seems to be the responsible starting point for program operations. Therefore, PHAs should assess their projected leasing and spending starting with the 94% proration, and should model alternative proration scenarios. One way PHAs can make such an assessment is using the HUD Two-Year Forecasting Tool. This tool can be generated directly by PHAs by downloading a spreadsheet from this [forecasting tool link](#), entering the PHA number and launching a forecasting populated with VMS data and funding information. The default proration is 94% but can be changed by the user, and the projection includes your specific PHA's inflation factor. PHAs should plan for 2017 by also looking at the impact in 2018 of where they project to end 2017. In doing so, PHAs can model differing 2018 funding proration level possibilities.

HUD staff will be assessing projected spending and leasing using the above assumptions. PHAs may hear from HUD staff in particular if, given those assumptions, a shortfall or significant leasing potential is projected.

HUD encourages discussions with your local Field Office staff and FMC Financial Analyst during this time of funding uncertainty. Please contact them if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Milan Ozdinec', is written over the typed name and title. The signature is fluid and cursive, with a large loop at the top and a long horizontal stroke extending to the right.

Milan Ozdinec
Deputy Assistant Secretary
Office of Public Housing and Voucher
Programs