

To: Contra Costa County Housing Authority Board of Commissioners  
 From: Joseph Villarreal, Housing Authority  
 Date: September 14, 2021  
 Subject: 1st Quarter 2021-2022 Budget Report

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Contra  
Costa  
County

## **RECOMMENDATIONS**

ACCEPT the 1st Quarter 2021-2022 Unaudited Budget Report for the period ending June 30, 2021.

## **BACKGROUND**

This report is intended to provide the Board of Commissioners with an overview of the financial operating position of the Housing Authority of the County of Contra Costa (HACCC) for the Period Ending 6/30/2021. The report begins with a summary of HACCC's overall fiscal standing at the end of the quarter. The overall numbers are then broken down by individual funds. Each fund overview includes a brief program summary and an explanation of the variance between budgeted and actual performance.

## **AGENCY OVERVIEW: Budget Report**

HACCC's overall budget position for the 1st Quarter 6/30/2020 is shown in the chart below. Activity in the Housing Choice Vouchers Program had the most significant impact on

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Action of Board On: **09/14/2021** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

### **VOTE OF COMMISSIONERS**

AYE: John Gioia,  
Commissioner  
Candace Andersen,  
Commissioner  
Diane Burgis,  
Commissioner  
Karen Mitchoff,  
Commissioner  
Federal D. Glover,  
Commissioner  
Cynthia Jordan,  
Commissioner

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: September 14, 2021

Joseph Villarreal, Executive Director

By: June McHuen, Deputy

ABSENT: Joanne Segura,  
Commissioner

Contact: 925-957-8028

cc:

HACCC's budget.

## BACKGROUND (CONT'D)

The variance in revenue and expenditures at the Agency Level is a summary of all variances reported at the program levels. The program revenue and expenditure variance summary is as follows:

### Revenue Variance Summary

Housing Choice Vouchers **favorable** variance \$ 687,916

Housing Certificate **favorable** variance 78,538

Public Housing **favorable** variance 59,013

State and Local **favorable** variance 51,973

Agency **Favorable** Variance \$ 877,440

### Expenditure Variance Summary

State and Local **favorable** variance 195,113

Public Housing **favorable** variance \$ 188,610

Housing Choice Vouchers **favorable** variance 143,661

Housing Certificate unfavorable variance - 60,876

Agency **Favorable** Variance \$ 466,508

HACC Agency Summary	Annual Budget	1st Quarter Actual 6/30/2021	Remaining FY Estimate	Annual Total	Variance
Revenue	\$ 209,095,880	\$ 53,151,410	\$ 156,821,910	\$ 209,973,320	\$ 877,440
Expenditures	\$ 206,733,084	\$ 51,216,763	\$ 155,049,813	\$ 206,266,576	\$ (466,508)
	\$ 2,362,796	\$ 1,934,647	\$ 1,772,097	\$ 3,706,744	

The net change to overall reserves was an increase of \$1,934,647. The summary of Agency Reserves by Program and type is as follows:

Analysis of Agency Reserves	Beginning Balance 4/1/21 (Audited)	1st Quarter ending 6/30/2021 (Unaudited)	Reserve Balance period ending 6/30/2021 (Unaudited)
Total Reserves	\$ 34,809,519	\$ 1,934,647	\$ 36,744,166
<u>Net Invested in Capital Assets</u>			
Housing Choice Vouchers	\$ 1,469,492	\$ 82,582	\$ 1,552,074
Public Housing & Cap. Funds	\$ 7,546,665	\$ 327,888	\$ 7,874,553
State & Local Programs	\$ 9,522,770	\$ 101,487	\$ 9,624,257
Housing Certificates Programs	\$ -0-	\$ -0-	\$ -0-
Total Capital Assets	\$ 18,538,927	\$ 511,957	\$ 19,050,884
<u>Restricted Reserves</u>			
Housing Choice Vouchers	\$ 1,477,589	\$ -0-	\$ 1,477,589
Public Housing & Cap. Funds	\$ -0-	\$ -0-	\$ -0-
State & Local Programs	\$ 1,768,683	\$ 156,356	\$ 1,925,039
Housing Certificates Programs	\$ -0-	\$ -0-	\$ -0-
Total Restricted Reserves	\$ 3,246,282	\$ 156,356	\$ 3,402,638
<u>Unrestricted Reserves</u>			
Housing Choice Vouchers	\$ 11,112,238	\$ 999,561	\$ 12,111,799*
Public Housing & Cap. Funds	\$ 1,716,904	\$ 301,357	\$ 2,018,261*
State & Local Programs	\$ 195,168	\$ (21,185)	\$ 173,983*
Housing Certificates Programs	\$ -0-	\$ (13,399)	\$ (13,399)*

Total Unrestricted Reserves	\$ 13,024,310	\$ 1,266,334	\$ 14,290,644*
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\*Reserve levels do not include unfunded pension & opeb liability of roughly \$13 million.

As a reminder, almost all reserves are restricted for use within each program. The designation of restricted or unrestricted reserves merely indicates that the funds are obligated for special use within the program (restricted) or that they can be used for any purpose tied to the program (unrestricted). The only reserves that can be used freely are unrestricted reserves within the State and Local Programs that are not tied to the tax credit properties. These reserves can be used to support any of HACCC's programs.

## **FUNDS OVERVIEW:**

### **Housing Choice Vouchers**

**Program Summary** - The HCV program provides assistance to families in the private rental market. HACCC qualifies families for the program based on income. These families find a home in the private rental market and HACCC provides them with a subsidy via a HAP contract with the property owner. HAP is paid by HACCC directly to the owner. Through its HCV program, HACCC is authorized to provide affordable housing assistance to a maximum of 9,280 families. However, due to funding constraints utilization is currently at 7,993.

### **Summary of Difference Between Budgeted and Annual Estimate:**

**Revenue** – The \$687,916 revenue differences is a result of increased funding in HAP payments in the amount of \$605,344 and \$82,582 increase in administrative fees.

**Expenditures**- The expenditure net differences was a result of reduced costs in the amount of \$143,661. The total reduced cost related to operations was \$749,005 which was offset by the increased HAP payments in the amount of \$605,344. The primary cost savings was result of under staffing in labor and benefits of \$584,462 and reduce operating costs of \$164,543.

Housing Choice Vouchers	Annual Budget	1st Quarter Actual 6/30/2021 (Unaudited)	Remaining FY Estimate	Annual Total	Variance
Revenue	\$ 181,696,744	\$ 46,112,102	\$ 136,272,558	\$ 182,384,660	\$ 687,916
Expenditures	\$ 180,694,480	\$ 45,029,959	\$ 135,520,860	\$ 180,550,819	\$ (143,661)
	\$ 1,002,264	\$ 1,082,143	\$ 751,698	\$ 1,833,841	

### **Analysis of Program Reserves:**

Housing Choice Vouchers	Beginning Balance 4/1/2021 (Unaudited)	1st Quarter Actual 6/30/2021 (Unaudited)	Reserve Balance period ending 6/30/2021 (Unaudited)
Net Invested in Capital Assets	\$ 1,469,492	\$ 82,582	\$ 1,552,074
Restricted Reserves	\$ -0-	\$ -0-	\$ -0-
Unrestricted Reserves	\$ 11,112,238	\$ 999,561	\$ 12,111,799
Total Reserves	\$ 12,581,730	\$ 1,080,143	\$ 13,663,873

## **Public Housing Operating and Capital Funds**

**Program Summary** - HACCC owns and manages 983 public housing units at 13 different sites throughout the County. The Agency disposed of roughly 196 units on 3 sites in the N. Richmond area. The Operating funds for all properties come from tenant rents as well as an operating subsidy received from HUD that is designed to cover the gap between rents collected from the low-income tenants and annual operating expenses. HUD allocates the Capital Fund annually via formula to approximately 3,200 housing authorities. Capital Fund grants may be used for development, financing, modernization, and management improvements within public housing.

### **Summary of Difference Between Budgeted and Annual Estimate:**

**Revenue** – The \$59,013 increased revenue is a result of operating subsidy received during this funding period.

Expenditures - The \$188,610 expenditure difference is a result of under staffing in labor and benefits of \$172,322 and reduced protective services of \$16,288.

Public Housing Operating and Capital Fund	Annual Budget	1st Quarter Actual 6/30/2021 (Unaudited)	Remaining FY Estimate	Annual Total	Variance
Revenue	\$ 13,924,080	\$ 3,540,033	\$ 10,443,060	\$ 13,983,093	\$ 59,013
Expenditures	\$ 12,397,592	\$ 2,910,788	\$ 9,298,194	\$ 12,208,982	\$ (188,610)
	\$ 1,526,488	\$ 629,245	\$ 1,144,866	\$ 1,774,111	

#### Analysis of Program Reserves:

Public Housing & Capital Fund	Beginning Balance 4/1/2021 (Unaudited)	1st Quarter Actual 6/30/2021 (Unaudited)	Reserve Balance period ending 6/30/21 (Unaudited)
Net Invested in Capital Assets	\$ 7,546,665	\$ 327,888	\$ 7,874,553
Restricted Reserves	\$ -0-	\$ -0-	\$ -0-
Unrestricted Reserves	\$ 1,716,904	\$ 301,357	\$ 2,018,261
Total Reserves	\$ 9,263,569	\$ 629,245	\$ 9,892,814

#### State and Local Programs

Program Summary - HACCC administers a variety of programs and activities that are either not funded by HUD or that involve non-restricted HUD funds. Currently, HACCC is the managing general partner for two tax credit projects (DeAnza Gardens & Casa Del Rio). HACCC receives management fees for administering the Public Housing and HCV programs under HUD's asset-management model. In addition, the State and Local Program manages the employee pension and OPEB benefit program.

#### Summary of Difference between Budgeted and Annual Year-End Estimate:

Revenue –The \$51,973 increase revenue is a result of \$37,918 in the tax credit properties and \$14,055 miscellaneous management fee revenues.

Expenditures - The \$195,113 expenditure reductions were a result of \$72,861 in under staffing in labor and benefits, \$60,076 in operational savings, and \$62,176 in reduced operational in the tax credit properties.

State & Local Programs	Annual Budget	1st Quarter Actual 6/30/2021 (Unaudited)	Remaining FY Estimate	Annual Total	Variance
Revenue	\$ 7,018,676	\$ 1,806,642	\$ 5,264,007	\$ 7,070,649	\$ 51,973
Expenditures	\$ 7,060,388	\$ 1,569,984	\$ 5,295,291	\$ 6,865,275	\$ (195,113)
	\$ (41,712)	\$ 236,658	\$ (31,284)	\$ 205,374	

#### Analysis of Reserves:

State & Local Programs	Beginning Balance 4/1/2021 Unaudited	1st Quarter Actual 6/30/2021 (Unaudited)	Reserve Balance Period ending 6/30/2021 (Unaudited)
Net Invested in Capital Assets	\$ 9,522,770	\$ 101,487	\$ 9,624,257
Restricted Reserves	\$ 1,768,683	\$ 156,356	\$ 1,925,039
Unrestricted Reserves	\$ 195,168	\$ (21,185)	\$ 173,983
Total Reserves	\$ 11,486,621	\$ 236,658	\$ 11,723,279

#### Housing Certificate Programs

Program Summary - HACCC administers a Housing Certificate Program tied to the Continuum of Care Program (formerly known as Shelter Plus Care). The Continuum of Care Program provides rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.

HACCC assists approximately 327 clients under this program.

Summary of Difference Between Budgeted and Annual Year-End Estimate:

Revenue- The \$78,538 revenue difference is an increase HAP funding of \$48,561 and an increase of \$29,977 in administrative funding.

Expenditures- The -\$60,876 expenditure difference is a result of \$48,561 increase in HAP items and an increase of \$12,315 in tenant and social service costs..

Housing Certificate Programs	Annual Budget	1st Quarter Actual 6/30/2021 (Unaudited)	Remaining FY Estimate	Annual Total	Variance
Revenue	\$ 6,456,380	\$ 1,692,633	\$ 4,842,285	\$ 6,534,918	\$ 78,538
Expenditures	\$ 6,580,624	\$ 1,706,032	\$ 4,935,468	\$ 6,641,500	\$ 60,876
	\$ (124,244)	\$ (13,399)	\$ (93,183)	\$ (106,582)	

Analysis of Reserves:

Housing Certificate Programs	Beginning Balance 4/1/2021 Audited	1st Quarter Actual 6/30/2021 (Unaudited)	Reserve Balance period ending 6/30/2021 (Unaudited)
Restricted Reserves	\$ -0-	\$ -0-	\$ -0-
Unrestricted Reserves	\$ -0-	\$ (13,399)	\$ (13,399)
Total Reserves	\$ -0-	\$ (13,399)	\$ (13,399)

FISCAL IMPACT

None. Information item only.

CONSEQUENCE OF NEGATIVE ACTION

None. Informational item only.