



SUMMARY REVIEW OF AGENDA ITEMS FOR THE MDHA BOARD OF COMMISSIONERS

Sept. 13, 2022

6. APPROVAL OF THE 2023 AGENCY OPERATING BUDGET

Board approval is requested for the FY 2022-2023 budgets for the Central Office Cost Center (COCC), Commercial properties, the Project Based Rental Assistance (PBRA) properties, the Freeman Webb managed properties, Rental Assistance programs, and the Community Development grants. Estimated salary increases as a product of the Lockton compensation and benefit study are included in the budgets. The budgets were reviewed and recommended by the Finance & Audit Committee at the August 4th meeting.

The COCC \$15,115,434 2023 budget will be funded by management and developer fees, Rolling Mill Hill ground lease payments, with the remainder funded from surplus cash generated from the Commercial leasing and MDHA properties.

The 5th & Church parking garage and other commercial activities are projecting a positive cash flow of \$908,442.

Freeman Webb manages eight properties owned by MDHA, therefore the budgets are prepared by their management team. Collectively the positive cash flow from these properties totals \$501,822.

The Project Based Rental Assistance (PBRA) properties have been prepared using HUD approved contract rents assuming a 2.7% Operating Cost Adjustment Factor (OCAF) for each HAP contract. The projected cash flow of \$1,405,143 assumes eligible capital expenditures and repairs will be funded from the property replacement reserve escrows.

The breakeven operating budgets for the Rental Assistance Department, and Community Development are presented with the second-year funding for additional CAREs Act administrative and program costs.

The total projected cash flow for 2023 of \$2,815,407 will be utilized as a contribution for the strategic equity funds to support our Envision development plan.