



# RIHousing Budget FY2025





## MEMO

**To:** Board of Commissioners  
**From:** Carol Ventura  
**Date:** June 20, 2024  
**Subject:** FY 2025 Budget

Attached for your review and approval is the proposed fiscal year 2025 budget detailing projected revenues and expenses for the upcoming year.

The highlights in this year's budget are:

- Continued administration of Federal ARPA funded programs
- Increase in Multifamily Development activity
- Reduced Homeownership loan production due to full utilization of State DPA grant

The proposed budget for FY25 projects bottom line Net Revenue of \$10.9 million. This is an increase over the FY24 Net Revenue budget of \$9.4 million.

Net Interest Income for FY25 (the spread between our mortgage rates and our borrowing rates) reflects an increase of \$3 million from the FY24 budget. This is due to strong loan production and continued financing of Homeownership loans through the issuance of bonds. Single family production is estimated at \$590 million with 72% funded through bond financing and 28% through direct sale to Freddie/Fannie or the TBA market.

Fee income reflects a \$1.5 million increase relating to an increase in Contract Administration Program fees and an increase in Loan Servicing fees.

The budget includes an increase in the provision for loan losses of \$2 million. This is primarily to offset the uninsured portion of new Multifamily Development loans.

We've increased our program budget for FY25 based on available funding. We continue to fund critical housing programs that include rental assistance, operating support for extremely low-income households, community development programs and downpayment assistance.

We will continue to focus on the administration of various Federal grant programs related to the Development of Affordable Housing. Our operating expenses reflect an increase over FY24 relating to building maintenance, landlord incentives for the Housing Choice Voucher Program and technology costs. Personnel expenses also include an increase in medical expenses and merit increase for staff.

**RIHousing**  
**FY25 Program Budget**

	<u>Budget 2024</u>	<u>Forecast 2024</u>	<u>Budget 2025</u>	<u>2025 Budget vs. 2024 Budget</u>	
<b>Preventing Homelessness</b>					
State Rental Assistance	170,000	133,045	100,000	(70,000)	-41.2%
Road Home Rental Assistance	600,000	400,733	150,000	(450,000)	-75.0%
Neighborhood Opportunities Program	200,000	49,494	200,000	-	0.0%
ELI Operating Support Program	-	4,000,000	2,000,000	2,000,000	100.0%
New Lease Program	30,000	-	-	(30,000)	-100.0%
	<u>1,000,000</u>	<u>4,583,272</u>	<u>2,450,000</u>	<u>1,450,000</u>	<u>145.0%</u>
<b>Support for Community Development Activities</b>					
LISC NDF	500,000	495,000	300,000	(200,000)	-40.0%
	<u>500,000</u>	<u>495,000</u>	<u>300,000</u>	<u>(200,000)</u>	<u>-40.0%</u>
<b>Community Support Programs</b>					
Healthy Housing Healthy Communities	-	250,000	500,000	500,000	100.0%
Community and Housing Development Program	500,000	162,634	1,000,000	500,000	100.0%
	<u>500,000</u>	<u>412,634</u>	<u>1,500,000</u>	<u>1,000,000</u>	<u>200.0%</u>
<b>Homeownership</b>					
Homeownership Reserve Program	250,000	160,421	200,000	(50,000)	-20.0%
Down Payment Assistance	500,000	1,185,000	2,500,000	2,000,000	400.0%
	<u>750,000</u>	<u>1,345,421</u>	<u>2,700,000</u>	<u>1,950,000</u>	<u>260.0%</u>
<b>MultiFamily</b>					
Zero Energy for Ocean State (ZEOS)	250,000	236,683	250,000	-	0.0%
	<u>250,000</u>	<u>236,683</u>	<u>250,000</u>	<u>-</u>	<u>0.0%</u>
<b>Total Programs</b>	<u>\$ 3,000,000</u>	<u>\$ 7,073,010</u>	<u>\$ 7,200,000</u>	<u>\$ 4,200,000</u>	<u>140.0%</u>

## 2025 Program Budget Descriptions

### Preventing Homelessness

State Rental Assistance: Rental assistance payments on behalf of residents of developments with prior commitments from the State of Rhode Island.

RoadHome: Rental assistance to house homeless families and individuals.

Neighborhood Opportunities Program: Operating subsidies for developments that provide discounted rents to tenants with very low income and/or special needs. Previously funded by the State.

ELI Operating Support Program: Operating support for developments that provide discounted rents to tenants with extremely low income.

New Lease Program: Funding for the launch of New Lease for Homeless Families in Rhode Island.

### Support for Community Development Activities

LISC/NDF: Funding for the LISC Neighborhood Development Fund which provides assistance to Community Development Corporations.

### Community Support Programs

Healthy Housing, Healthy Communities: Funding to build the capacity of five Health Equity Zones to address housing issues impacting the health of their communities.

Community Development and Housing Program: Technical support for management agents, funding for resident services and projects that support RIHousing funded developments, and financial and budgeting counseling for first-time homeowners.

### Homeownership

Homeownership Reserve Program: Reserve fund for eligible first-time homeowners to avoid mortgage delinquency during a temporary short-term event.

Downpayment Assistance: Funding for \$15K Downpayment Assistance program for first time homebuyers not funded through mortgage revenue bonds.

### Multifamily

Zero Energy for Ocean State (ZEOS): Program to promote cost effective energy conservation in buildings and housing units in coordination with the RI Office of Energy Resources

**RIHousing**  
**FY25 Summary Revenue and Expenses**  
(\$'s in thousands)

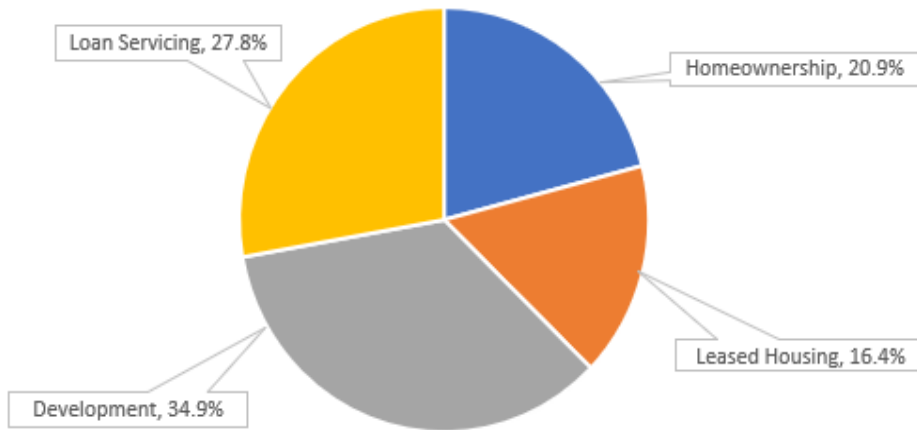
	Budget 2024	Forecast 2024	Budget 2025	2025 Budget vs. 2024 Budget		2025 Budget vs. 2024 Forecast		Comments Below
				\$	%	\$	%	
Net Interest Income (includes other bond related costs)	\$ 28,027	\$ 32,653	\$ 31,143	\$ 3,116	11%	\$ (1,510)	-5%	1
Fee Income	29,320	31,941	30,885	1,565	5%	(1,056)	-3%	2
Gain on Sale of Loans	3,949	6,366	6,209	2,260	57%	(157)	-2%	3
Sub Total Revenue	61,296	70,960	68,237	6,941	11%	(2,723)	-4%	
Loan Losses and Expenses	(2,000)	(2,000)	(2,000)	-	0%	-	0%	4
Programmatic Expenses	(3,000)	(7,111)	(7,200)	(4,200)	140%	(89)	1%	5
Operating Expenses	(46,893)	(45,205)	(48,091)	(1,198)	3%	(2,886)	6%	6
Net Revenue	\$ 9,403	\$ 16,644	\$ 10,946	\$ 1,543	16%	\$ (5,698)	-34%	

- 1 Increase from continued bond financing
- 2 Increase in servicing fee income based on increased portfolio
- 3 Increase in sales of conventional loans (Freddie/Fannie)
- 4 Consistent year over year
- 5 Increased programs for ELI Operating Support
- 6 Increase in office maintenance; merit increases; technology costs

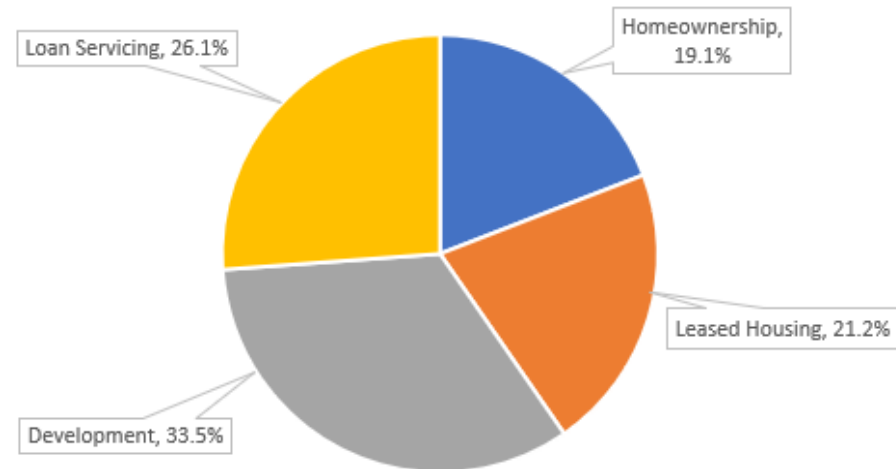
# FY2025

## Revenue/Expense by Division

**Total Revenue**



**Total Expense**

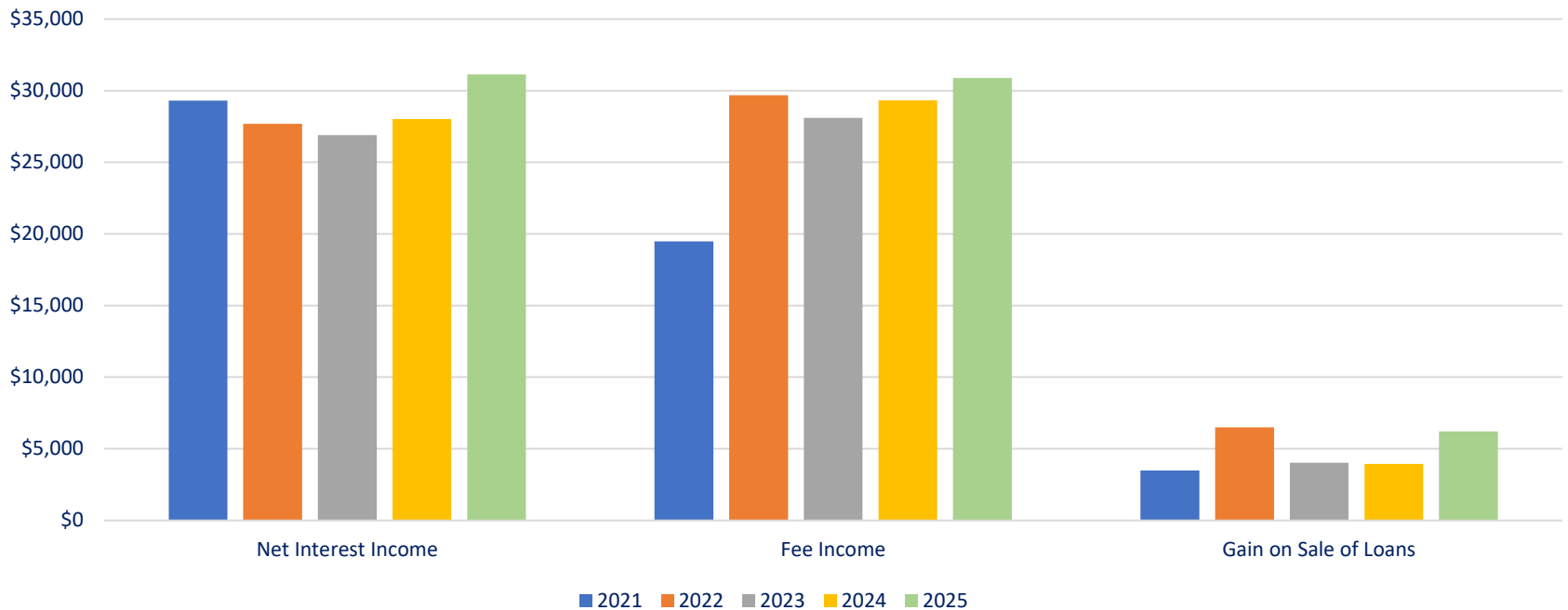


■ Homeownership ■ Leased Housing ■ Development ■ Loan Servicing

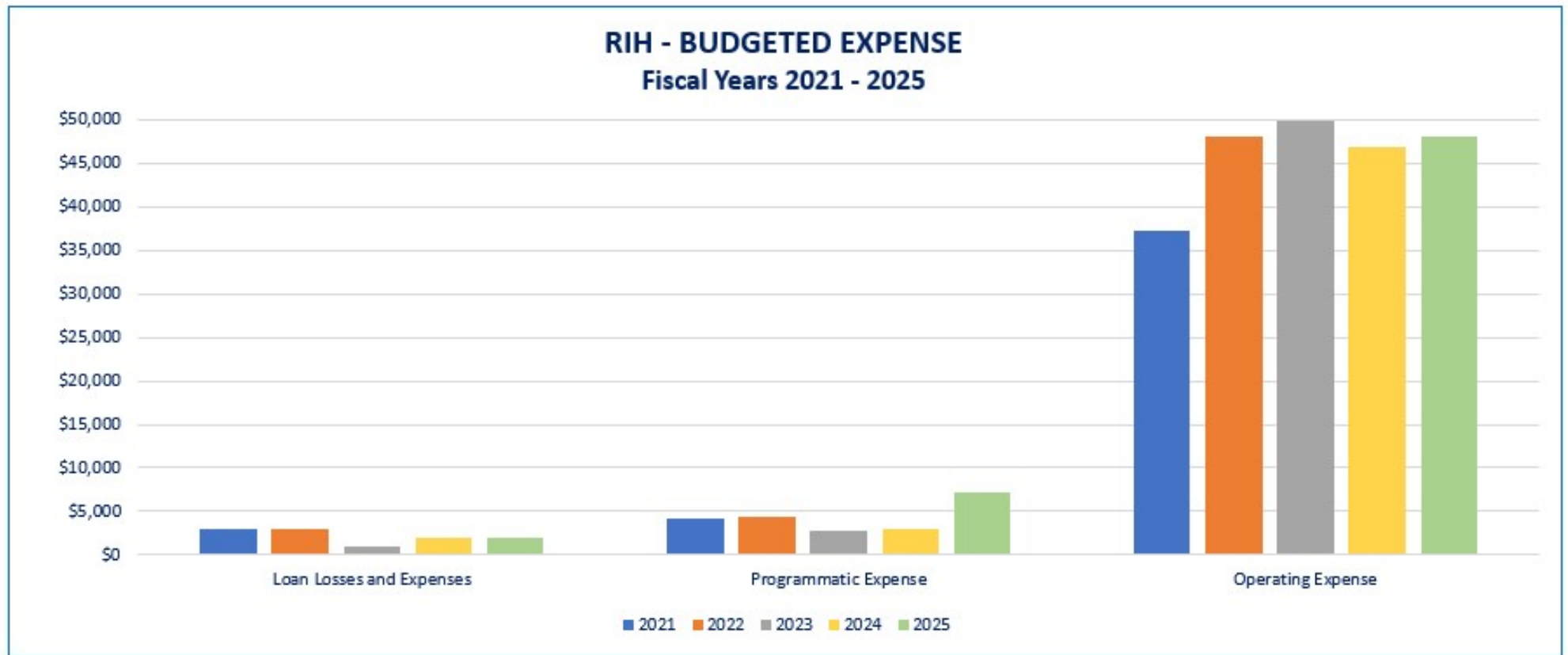


# Revenue Budget

**RIH - REVENUE BUDGET**  
**Fiscal Years 2021 - 2025**



# Expense Budget



## Company Wide Expense Budget

Budget Year:	Budget 2024	Forecast 2024	Budget 2025	2025 Budget vs 2024 Budget		2025 Budget vs 2024 Forecast	
				\$ incr (decr)	% incr (decr)	\$ incr (decr)	% incr (decr)
(8201.01) Salary	19,589,734	19,475,745	20,893,377	1,303,643	6.65%	1,417,632	7.28%
(8202) Employee Retirement Plan Exp	1,947,070	1,790,241	2,077,937	130,867	6.72%	287,696	16.07%
(8205) Temporary Help	506,853	563,381	412,635	-94,218	-18.59%	-150,745	-26.76%
(8206) Payroll Taxes	1,498,615	1,422,773	1,598,343	99,729	6.65%	175,570	12.34%
(8207) Unemployment Benefits	90,000	145,333	75,000	-15,000	-16.67%	-70,333	-48.39%
(8208) Overtime	30,660	25,458	24,600	-6,060	-19.77%	-858	-3.37%
(8209) Medical/Dental Benefits	3,943,217	3,939,941	4,046,386	103,169	2.62%	106,445	2.70%
(8210) Employee Insurance Benefits	127,841	141,756	130,098	2,257	1.77%	-11,658	-8.22%
(8211) Employee Benefit Rebates	23,750	21,750	33,000	9,250	38.95%	11,250	51.72%
(8212) Employee Education Expense	45,000	41,952	45,000	-	0.00%	3,048	7.27%
(8213) Employee Transportation Exp	373,800	475,697	395,735	21,935	5.87%	-79,962	-16.81%
(8214) Post retirement benefits Exp	1,000,000	900,000	800,000	-200,000	-20.00%	-100,000	-11.11%
(8215) Commission Expense	89,760	84,580	104,000	14,240	15.86%	19,420	22.96%
(8216) Severance		22,340	25,000	25,000	-	2,660	11.91%
<b>Personnel Services</b>	<b>29,266,300</b>	<b>29,050,947</b>	<b>30,661,112</b>	<b>1,394,812</b>	<b>4.77%</b>	<b>1,610,165</b>	<b>5.54%</b>
(8301) Trustee/Bank Fees	500,850	525,920	543,400	42,550	8.50%	17,480	3.32%
(8302) Consulting Services	1,128,994	1,151,377	840,489	-288,505	-25.55%	-310,888	-27.00%
(8303) Legal: Services and Other	321,000	408,643	304,000	-17,000	-5.30%	-104,643	-25.61%
(8304) Accounting & Auditing	280,900	264,372	281,900	1,000	0.36%	17,528	6.63%
(8305) Appraisals/Inspect/Title, etc	96,550	97,010	120,800	24,250	25.12%	23,790	24.52%
(8307) Employee Relocation		3,098		-	-	-3,098	-100.00%
(8308) State Reportable Bus Exp.	22,500	16,850	23,325	825	3.67%	6,475	38.43%
(8309) Office Premises/Maintenance	260,000	319,942	550,310	290,310	111.66%	230,368	72.00%
(8310) Dues/Membership	123,575	106,374	133,635	10,060	8.14%	27,261	25.63%
(8311) Publications/Subscriptions	77,298	68,583	82,268	4,970	6.43%	13,685	19.95%
(8312) Seminars/Conferences	153,745	122,189	156,950	3,205	2.08%	34,761	28.45%
(8313) Utilities	250,000	237,168	270,000	20,000	8.00%	32,832	13.84%
(8315) Storage Rent/Deposit Boxes	70,380	79,424	83,000	12,620	17.93%	3,576	4.50%
(8316) Telecommunications	411,554	407,842	413,267	1,713	0.42%	5,425	1.33%
(8318) Automobile Expenses	38,033	32,596	42,180	4,147	10.90%	9,584	29.40%
(8319) Postage/Express Mailings	193,375	163,595	190,650	-2,725	-1.41%	27,055	16.54%
(8320) Advertising, Promotions, etc.	172,700	114,277	167,450	-5,250	-3.04%	53,173	46.53%
(8321) Printing/Binding	362,500	197,335	162,850	-199,650	-55.08%	-34,485	-17.48%
(8322) Corporate Insurance Policies	369,600	333,925	442,700	73,100	19.78%	108,775	32.57%
(8323) Equipment Rental/Maintenance	125,300	137,183	129,100	3,800	3.03%	-8,083	-5.89%
(8324) IT Expenses	313,065	269,324	262,280	-50,785	-16.22%	-7,044	-2.62%
(8326) Office Supplies	45,655	32,443	38,445	-7,210	-15.79%	6,002	18.50%
(8327) Vending/Lunchroom Supplies	27,000	22,903	30,000	3,000	11.11%	7,097	30.99%
(8328) Building and IT Security	216,000	257,631	312,900	96,900	44.86%	55,269	21.45%
(8332) Public Outreach	95,270	309,234	341,550	246,280	258.51%	32,316	10.45%
(8338) Homebuyer Education Expense	4,800	4,816	4,800	-0	-0.00%	-16	-0.33%
(8342) Scholarship/Fellowship Cost	15,000	10,263	10,000	-5,000	-33.33%	-263	-2.56%

## Company Wide Expense Budget

Budget Year:	Budget 2024	Forecast 2024	Budget 2025	2025 Budget vs 2024 Budget		2025 Budget vs 2024 Forecast	
				\$ incr (decr)	% incr (decr)	\$ incr (decr)	% incr (decr)
(8343) Data Support Services	304,000	330,180	575,400	271,400	89.28%	245,220	74.27%
(8346) Marketing - Positioning	103,500	110,954	100,000	-3,500	-3.38%	-10,954	-9.87%
(8347) Promotional Items	34,400	22,065	33,400	-1,000	-2.91%	11,335	51.37%
(8351) Training	131,040	129,807	113,125	-17,915	-13.67%	-16,682	-12.85%
(8352) Hiring Expenses	71,650	19,237	19,000	-52,650	-73.48%	-237	-1.23%
(8353) Outside Services	1,556,274	1,557,302	1,529,719	-26,555	-1.71%	-27,583	-1.77%
(8354) Loan Servicing LPS	980,500	927,988	1,003,500	23,000	2.35%	75,512	8.14%
(8355) Monthly Statements	392,000	435,257	498,500	106,500	27.17%	63,243	14.53%
(8357) Employee Relations	39,900	45,574	64,450	24,550	61.53%	18,876	41.42%
(8359) Credit Reports- HO	70,700	71,771	80,000	9,300	13.15%	8,229	11.47%
(8362) Photography/Videos	99,750	37,715	100,500	750	0.75%	62,785	166.47%
(8364) Travel Expenses	115,836	79,559	111,005	-4,831	-4.17%	31,446	39.53%
(8365) Meals	17,320	10,732	19,870	2,550	14.72%	9,138	85.14%
(8366) Software	2,765,085	2,065,198	2,391,527	-373,558	-13.51%	326,329	15.80%
(8371) Board Member Expenses	6,000	2,000	2,000	-4,000	-66.67%	-	0.00%
(8413) State Hsg. Appeals Board	5,000	-7,324		-5,000	-100.00%	7,324	-100.00%
<b>Administrative Costs</b>	12,368,599	11,532,331	12,580,245	211,646	1.71%	1,047,914	9.09%
(8721) Amortization-Furniture	61,800	60,774	88,000	26,200	42.39%	27,226	44.80%
(8723) Amortization-Computers	347,000	325,806	231,000	-116,000	-33.43%	-94,806	-29.10%
(8724) Amortization-Office Premises	495,000	491,828	578,000	83,000	16.77%	86,172	17.52%
(8731) Amortization-PMSR	2,735,000	1,891,710	2,185,000	-550,000	-20.11%	293,290	15.50%
(8735) Amortization-Excess Serv.	1,620,000	1,851,554	1,768,000	148,000	9.14%	-83,554	-4.51%
<b>Dept/Amort of Captial Disb.</b>	5,258,800	4,621,672	4,850,000	-408,800	-7.77%	228,328	4.94%
<b>Total Budget for All Divisions</b>	46,893,698	45,204,950	48,091,357	1,197,658	2.55%	2,886,406	6.39%