

HACSA MEMORANDUM

TO: HACSA Board of Commissioners

PRESENTED BY: Larry A. Abel, Deputy Director

AGENDA ITEM TITLE: ORDER/RESOLUTION/In the Matter of Approving the Public Housing Operating Budget for the Fiscal Year Ending September 30, 2009

AGENDA DATE: September 24, 2008

I. MOTION

IT IS MOVED THAT THE ORDER/RESOLUTION BE ADOPTED APPROVING THE PUBLIC HOUSING OPERATING BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2009.

II. ISSUE

HUD requires the Board to review and approve the Public Housing Operating Budget.

III. DISCUSSION

A. Background

This Order/Resolution approves our FY 2009 operating budget for the Public Housing Program. FY 2009 will be the second year of project-based accounting under HUD's mandate to convert public housing to an asset management model. Consequently, there are six public housing asset management project (AMP) budgets as well as a separate budget for the central office cost center (COCC). HUD requires Board approval for each of these budgets.

B. Analysis

Attached is a site budget for each of the Agency's asset management projects (AMPs). Each AMP budget is balanced.

HUD has determined that the Agency failed to meet two of the seven criteria established to evaluate successful conversion to asset management. We disagreed and submitted a management response to that effect. Should our response be denied, this year's operating subsidy will be reduced by \$97,638. That would come on top of an 11% reduction (\$222,516 in our case) already implemented nationwide because of "lack of federal funds".

In the meantime the Agency has submitted a “stop-loss” application for year 2. Should that application be denied, next year’s operating subsidy will be reduced by an additional \$77,297. The “stop-loss” application for Year 3 is due October 15, 2008. Denial for Year 3 would result in a further reduction of \$77,297.

Also attached is a balanced budget for the Agency’s central office cost center (COCC). Under HUD’s model, the COCC is analogous to the administrative office of a private property management company. Accordingly, the revenue of the COCC includes certain fees. Management, bookkeeping and asset management fees are charged to the AMPs. These fees have been limited by HUD (e.g. the management fee is \$44.67 per occupied unit per month). Revenue of the COCC also consists of a fee for service (charged to the AMPs) for certain specialized maintenance employees. Administrative fees are also included to compensate COCC staff for administering the Agency’s Capital Fund and Housing Choice Voucher programs.

C. Alternatives/Options

HUD requires the Board to approve next fiscal year’s Public Housing Operating budget by September 30, 2009.

D. Recommendation

Approval of the proposed Motion is recommended.

E. Timing

Upon approval by the Board, the Public Housing Operating Budget will be effective on October 1, 2008.

IV. IMPLEMENTATION/FOLLOW-UP

Same as Item III. E.

V. Attachments

Public Housing Site Budgets
Budget for Central Office Cost Center

ORDER

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. 10/31/2009)

In the Matter of Approving the Public Housing Operating Budget for the Fiscal Year Ending September 30, 2009

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: Housing And Community Services Agency of Lane County PHA Code: OR006

PHA Fiscal Year Beginning: October 1, 2008 Board Resolution Number:

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 for all AMPs and COCC 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:

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: Signature: Date:

In the Matter of Approving the Public Housing Operating Budget for the Fiscal Year Ending September 30, 2009
Previous editions are obsolete

APPROVED AS TO FORM form HUD-52574 (08/2005)
Date: 9/11/08
OFFICE OF LEGAL COUNSEL

Housing And Community Services Agency of Lane County

Site Budgets

10/1/08 - 9/30/09

(All amounts rounded to the nearest \$100)

	AMP 100	AMP 200	AMP 300	AMP 400	AMP 500	AMP 600	TOTAL
Units	30	214	130	150	90	94	708
Units Vacant	2	1	2	1	0	1	7
Resident Manager Units			2	1	1	1	5
Total Occupied Units	28	213	126	148	89	92	696
% Occupied	93%	100%	97%	99%	99%	98%	98%

REVENUE

Dwelling Rentals	\$ 41,400	\$ 377,000	\$ 257,700	\$ 384,100	\$ 199,900	\$ 179,900	\$ 1,440,000
Investment Income	700	5,000	3,100	3,500	2,100	2,200	16,600
Other Income	2,000	24,000	29,000	10,700	7,900	7,100	80,700
Operating Subsidy	90,300	535,000	308,300	285,200	211,000	185,000	1,614,800
Transfer From Capital Fund	700	5,000	3,000	3,500	2,100	2,200	16,500
Total Revenue	\$ 135,100	\$ 946,000	\$ 601,100	\$ 687,000	\$ 423,000	\$ 376,400	\$ 3,168,600

EXPENSES

Administrative Salaries	\$ 10,100	\$ 85,600	\$ 52,900	\$ 60,600	\$ 38,300	\$ 38,500	\$ 286,000
Benefits	6,400	55,300	35,200	38,700	24,500	24,800	184,900
Staff Training	100	200	200	100	200	200	1,000
Travel Expense	500	400	400	1,600	200	1,100	4,200
Audit	600	3,600	2,300	2,000	1,700	1,800	12,000
Legal	400	300	300	200	100	200	1,500
Management Fee	15,000	114,100	66,700	79,400	47,500	48,800	371,500
Bookkeeping Fee	2,500	19,100	11,200	13,300	8,000	8,200	62,300
Sundry							
Stationary, Copier, Office Supplies	500	8,100	2,300	4,000	1,900	900	17,700
Telephone	1,900	6,000	3,000	6,100	3,400	3,400	23,800
Postage	100	100	100	100	100	100	600
Publications, Dues, Fees	100	200	200	1,600	200	200	2,500
Computer Expense	400	2,500	1,800	700	900	900	7,200
Background Checks	100	500	500	600	400	400	2,500
Misc Sundry	200	2,300	200	1,400	400	400	4,900
Total Sundry	3,300	19,700	8,100	14,500	7,300	6,300	59,200
Total Administrative	\$ 38,900	\$ 298,300	\$ 177,300	\$ 210,400	\$ 127,800	\$ 129,900	\$ 982,600

HACSA
BUDGET FOR CENTRAL OFFICE COST CENTER
October 1, 2008 - September 30, 2009
 (All amounts rounded to the nearest \$100)

REVENUE

Public Housing Management Fees	\$ 371,900
Public Housing Bookkeeping Fees	62,600
Public Housing Asset Management Fee	85,000
Capital Fund Administrative Fee	100,000
ROSS PH Family Self-Sufficiency Grant	65,500
Housing Choice Voucher Program Administrative Fee	339,000
Section 236 and Section 8 New Construction Overhead Reimbursement	126,800
Other Programs Overhead Reimbursement	333,400
Maintenance Fee for Service	210,700
Interest Income	7,900

TOTAL REVENUE \$1,702,800

EXPENSES

Administrative Salaries	\$ 844,600
Administrative Employee Benefits	480,100
Audit	500
Legal	500
Staff Training	1,000
Travel	8,200
Computer Expense	12,500
Telephone	9,300
Postage	11,700
Office Expense	16,400
Other	13,200
Total Administrative	<u>1,398,000</u>

Water and Sewer	4,300
Electric	22,000
Total Utilities	<u>26,300</u>

Maintenance Labor	121,600
Maintenance Employee Benefits	88,400
Materials	3,700
Contracts	56,800
Total Maintenance	<u>270,500</u>

Insurance	8,000
Total General	<u>8,000</u>

TOTAL EXPENSES \$1,702,800

NET CASH FLOW \$ 0