

HACSA T. 4.a.

H A C S A M E M O R A N D U M

TO: HACSA Board of Commissioners
FROM: Larry Abel, Acting Executive Director
AGENDA ITEM TITLE: ORDER/In the Matter of Adopting the 2009-2010 Budget and Making Appropriations
AGENDA DATE: September 29, 2009

I. MOTION

IT IS MOVED THAT THE ORDER BE APPROVED WHICH ADOPTS THE 2009/2010 AGENCY BUDGET AND MAKES APPROPRIATIONS.

II. ISSUE

It is necessary for the Board to adopt the Agency FY 2010 budget prior to October 1, 2009.

III. DISCUSSION

A. Background

This Order approves the Agency's budget for the fiscal year beginning October 1, 2009.

B. Analysis

Attached is the Executive Director's memorandum transmitting the proposed HACSA budget for FY 2010 and the budget documents.

C. Alternatives/Options

The Board can either approve the proposed budget Motion as Recommended or make changes before adopting the budget.

D. Recommendation

Approval of the proposed Motion is recommended.

E. Timing

Upon Board approval, the proposed budget will become effective on October 1, 2009.

IV. IMPLEMENTATION/FOLLOW-UP

Same as Item III.E.

V. ATTACHMENTS

Memorandum
Budget

**IN THE BOARD OF COMMISSIONERS OF THE
HOUSING AND COMMUNITY SERVICES AGENCY
OF LANE COUNTY, OREGON**

ORDER NO.

**)IN THE MATTER OF ADOPTING
)THE 2009/2010 BUDGET AND
)MAKING APPROPRIATIONS**

WHEREAS, it is necessary for the Board to adopt a 2009/2010 fiscal year budget for the Housing And Community Services Agency of Lane County, Oregon; and

WHEREAS, the HACSA Acting Executive Director has recommended approval of the proposed HACSA budget for the 2009/2010 fiscal year; and

WHEREAS, the Board having fully considered the Acting Executive Director's recommendation, NOW, THEREFORE, IT IS HEREBY

ORDERED, that the 2009-2010 fiscal year budget for the Housing And Community Services Agency of Lane County, Oregon, as set forth below, is hereby adopted; and

FURTHER ORDERED, that the amounts for the fiscal year beginning October 1, 2009, and for the purposes shown below, are hereby appropriated:

GENERAL FUND

| | |
|-----------------------------|---------------------|
| Community Services Division | \$ 6,486,000 |
| Housing Division | 7,224,000 |
| Section 8 Division | <u>15,945,000</u> |
| Total | <u>\$29,655,000</u> |

ADOPTED, by the Housing And Community Services Agency of Lane County, Oregon, this 29th day of September, 2009.

Chairperson, HACSA Board of Commissioners

IN THE MATTER OF ADOPTING THE 2009/2010 BUDGET AND MAKING
APPROPRIATIONS

H A C S A M E M O R A N D U M

TO: HACSA Board of Commissioners

FROM: Larry Abel, Acting Executive Director
 Laurie Larson-Lewis, Finance Manager

SUBJECT: Transmittal of Proposed HACSA Budget for FY 2010

DATE: September 16, 2009

HACSA's FY 2010 budget is attached for your review and approval. It has been prepared in accordance with guidelines established by federal granting agencies, most particularly the Federal Department of Housing and Urban Development (HUD). All division budgets are balanced. Program summaries are shown for the Community Services, Housing, and Section 8 divisions. Federal funding accounts for 84% of HACSA's revenues. HUD funding alone comprises 74%.

This budget totals \$29,655,000, a net increase of \$230,000 from the FY 2009 budget.

The Community Services Division has budgeted \$1,057,000 less than last year. The net decrease is due primarily to the anticipated acquisition (\$1,900,000) of the Hawthorn Apartments that was budgeted last year, but did not occur, and this year's increase of \$836,000 in weatherization funding, substantially from an American Recovery and Reinvestment Act (ARRA) grant.

The Housing Division has budgeted \$1,157,000 more than last year. This is primarily the result of an increase in capital fund (from an ARRA grant) revenue of \$846,000 and increases in public housing rent and operating subsidy of \$300,000.

The Section 8 Division has budgeted \$130,000 more than last year; primarily because of projected increases in rent subsidies that will be paid to private landlords.

As usual, the Agency's 708 units of public housing are included in the accompanying Housing Division proposed budget. FY 2010 will be the third year of project-based accounting under HUD's mandate to convert public housing to an asset management model.

Consequently, there are six public housing AMP (asset management projects) budgets as well as a separate budget for the COCC (central office cost center). HUD requires Board approval for each of these budgets which are included in a separate agenda packet.

HUD's funding bill for next fiscal year (beginning October 1, 2009) has not yet been approved. As a matter of fact, some of this year's funding has not been finalized. The HACSA proposed budget has been conservatively prepared based on the information that we currently have. We will keep you apprised of future developments that result in significant changes.

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY, OREGON

COMPARATIVE SUMMARY OF RESOURCES AND EXPENDITURES

| | <u>2006-07</u> <u>ACTUAL</u> | <u>2007-08</u> <u>ACTUAL</u> | <u>2008-09</u> <u>BUDGET</u> | <u>2009-10</u> <u>PROPOSED</u> |
|---------------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| RESOURCES | | | | |
| Fund Balance | (\$ 2,027,814) | (\$ 1,809,227) | | |
| Loans | | | \$ 3,607,000 | \$ 950,000 |
| Revenues: | | | | |
| Federal grants | 22,309,022 | 21,684,860 | \$21,466,600 | \$24,143,800 |
| Rent | 2,709,142 | 2,884,870 | 2,978,100 | 3,189,000 |
| Interest | 378,321 | 461,586 | 214,900 | 131,200 |
| Other | 1,210,632 | 1,044,834 | 1,158,400 | 1,241,000 |
| | <u>\$24,579,303</u> | <u>\$24,266,923</u> | <u>\$29,425,000</u> | <u>\$29,655,000</u> |
| EXPENDITURES | | | | |
| Personal Services | \$ 5,432,213 | \$ 5,319,696 | \$ 5,381,893 | \$ 6,047,931 |
| Materials and Services | 17,431,764 | 17,067,491 | 17,853,805 | 18,536,198 |
| Capital Outlay | 1,016,035 | 1,252,896 | 5,314,562 | 4,292,771 |
| Debt Service | 699,291 | 626,840 | 874,740 | 778,100 |
| | <u>\$24,579,303</u> | <u>\$24,266,923</u> | <u>\$29,425,000</u> | <u>\$29,655,000</u> |
| PROGRAM EXPENDITURES | | | | |
| Community Services | \$ 3,098,160 | \$ 3,617,467 | \$ 7,543,000 | \$ 6,486,000 |
| Housing | 6,145,094 | 5,386,066 | 6,067,000 | 7,224,000 |
| Section 8 | 15,336,049 | 15,263,390 | 15,815,000 | 15,945,000 |
| | <u>\$24,579,303</u> | <u>\$24,266,923</u> | <u>\$29,425,000</u> | <u>\$29,655,000</u> |
| FULL-TIME EQUIVALENT POSITIONS | | | | |
| | <u>82.00</u> | <u>79.00</u> | <u>77.70</u> | <u>82.85</u> |

PROGRAM SUMMARY

COMMUNITY SERVICES

STATEMENT OF PURPOSE

The Community Services Division is comprised of all Agency programs, other than HUD assisted and bond-financed housing programs. The Low-income Weatherization Program helps qualified Lane County homeowners and renters conserve energy and save money by providing comprehensive conservation services at no cost to the household. Cost effective measures are installed by private contractors and paid for with public and private funds from federal grants and participating electric and natural gas utilities. The Development Program works with the Lane County Intergovernmental Housing Policy Board to create permanent, affordable low-income housing in Lane County.

FISCAL YEAR 2009-2010 OBJECTIVES

1. Hire 4 FTE for the Energy Services Division to increase program delivery for low-income Lane County families in response to receiving a significant American Recovery and Reinvestment Act (ARRA) grant.
2. Provide cost effective weatherization services to 450 households.
3. Maintain strong program partnerships with local utilities and service organizations.
4. Install solar water heating system to serve 45 units of transitional housing at Roosevelt Crossing in partnership with EWEB and Sponsors, Inc.
5. Develop energy education program to serve K-8 school children.
6. Install solar water heating systems to serve 30 family units at Bagley Downs and 40 SRO units at Mary Skinner Apartments, in conjunction with St. Vincent de Paul and EWEB.
7. Expand energy efficient appliance replacement program to include "Energy Star" approved, horizontal axis (HA) washing machines.
8. Complete rehabilitation program at the Norsemen Apartments, a 44-unit apartment complex in Junction City for seniors and people with disabilities.
9. Carry out development of Roosevelt Crossing, 45 units of new construction transitional housing for homeless ex-offenders.
10. Exercise the option to acquire the limited partner's interest in the Walnut Park Apartments, 32 units of housing for low-income families.
11. Research funding for rehabilitation of Heeran Center and, if feasible, initiate development process to carry out refurbishment.

PROGRAM SUMMARY (continued)

COMMUNITY SERVICES

| | <u>2006-07</u> <u>ACTUAL</u> | <u>2007-08</u> <u>ACTUAL</u> | <u>2008-09</u> <u>BUDGET</u> | <u>2008-09</u> <u>PROPOSED</u> |
|---|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| EXPENDITURES | | | | |
| Personal Services | \$ 1,095,281 | \$ 1,133,694 | \$ 992,171 | \$1,301,633 |
| Materials and Services | 1,757,124 | 1,776,706 | 1,956,329 | 2,417,967 |
| Capital Outlay | | 507,588 | 4,175,000 | 2,450,000 |
| Debt Service | 245,755 | 199,479 | 419,500 | 316,400 |
| | <u>\$3,098,160</u> | <u>\$3,617,467</u> | <u>\$7,543,000</u> | <u>\$6,486,000</u> |
| FULL-TIME EQUIVALENT POSITIONS | | | | |
| | <u>13.25</u> | <u>13.05</u> | <u>12.70</u> | <u>17.05</u> |

PROGRAM SUMMARY

HOUSING

STATEMENT OF PURPOSE

The Housing Division provides for the coordinated management and maintenance of 955 Agency-owned low-income housing units.

FISCAL YEAR 2009-2010 OBJECTIVES

1. Provide opportunities that will positively affect residents' quality of life and their involvement in Division activities, by continuing the use of newsletters, resident handbooks, notices, meetings and trainings. Also provide a multitude of services to residents, including leadership skills development, community organizing, access to computers and the internet, resident groups at individual housing developments, feedback from elected Resident Representatives at the Tenant Advisory Group (TAG) meetings, use of an Agency "Hot Line," and the services of an Agency Ombudsman, as funding allows.
2. Continue to protect the Division's assets, through a concerted effort to maintain and upgrade Agency-owned housing units on a regular basis. In accordance with HUD's mandate, refine the project based/asset management reorganization for our 708 public housing units.
3. Utilize ARRA funding in conjunction with the regular capital fund grant, to modernize our public housing units. Integrate the Agency's allocation of capital funds into all aspects of the Division's operations, including occupancy, management, and maintenance, as regulations allow.
4. Maintain our "high achiever" Public Housing Assessment System (PHAS) ratings.
5. Continue resident requested and planned physical improvements to Agency-owned housing units, required under Section 504 of the Rehabilitation Act of 1973, as amended, and the Americans with Disabilities Act (ADA).
6. Family Self-Sufficiency Program: Continue to provide ongoing case management services and referrals to appropriate community services for enrolled families, under their Training and Services Plans (TSPs). Continue outreach efforts to Public Housing residents to encourage enrollment and growth toward self-sufficiency.
7. Continue providing safe and decent housing with extensive applicant screening, review of daily police calls for service and maintaining a zero tolerance for drug activity.

PROGRAM SUMMARY (continued)

HOUSING

| | <u>2006-07</u> <u>ACTUAL</u> | <u>2007-08</u> <u>ACTUAL</u> | <u>2008-09</u> <u>BUDGET</u> | <u>2009-10</u> <u>PROPOSED</u> |
|-----------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| EXPENDITURES | | | | |
| Personal Services | \$2,692,951 | \$2,422,472 | \$2,667,406 | \$2,925,598 |
| Materials and Services | 1,981,997 | 1,790,924 | 1,914,792 | 2,053,931 |
| Capital Outlay | 1,016,035 | 745,308 | 1,029,562 | 1,782,771 |
| Debt Service | 454,111 | 427,361 | 455,240 | 461,700 |
| | <u>\$6,145,094</u> | <u>\$5,386,065</u> | <u>\$6,067,000</u> | <u>\$7,224,000</u> |
| FULL-TIME EQUIVALENT | | | | |
| POSITIONS | <u>41.50</u> | <u>38.05</u> | <u>39.83</u> | <u>40.91</u> |

PROGRAM SUMMARY

SECTION 8

STATEMENT OF PURPOSE

Currently, there are three programs in the Section 8 Division:

1. Housing Choice Voucher: This is the largest program in the division with 2659 families participating. Section 8 applicants who are at the top of the waiting list receive a voucher which is a rent subsidy grant based on their family size and income levels. This grant subsidy is paid directly to a participating landlord on the private rental market. While providing decent and safe housing for low income families, the rental subsidy will funnel approximately 14 million federal dollars in Lane County during the next fiscal year.
2. Home Ownership: In the home ownership program the subsidy is paid directly to the bank to subsidize the mortgage payment. With Home Ownership we will increase the housing options for participants who have been on the program for a least one year and are in good standing.
3. Family Self-Sufficiency (FSS). In the Family Self-Sufficiency Program, participants receive a package of supportive services, tailored to the individual family's need. The services are provided to assist the family in meeting it's long term (up to 5 years) self-sufficiency goals. The goal of this program is to help families become self-sufficient of TANF and other government-sponsored programs.

FISCAL YEAR 2009-2010 OBJECTIVE

1. With continued increases in area rents and reduction in funding, the Section 8 Division will strive to maximize limited resources to maintain approximately a 100% lease rate which augments low income housing resources in the community.
2. The Section 8 waiting list opened in May of 2009, receiving 1000 applications, and is now closed. We will start seeing these new applicants in December 2009.
3. Increase the number of participants in the home ownership program through education, counseling and partnership with local housing providers and lenders.
4. Continue to maintain positive working relationships with area property managers/owners to achieve a wide choice of housing opportunities for our low-income, elderly and disabled clients.
5. Emphasize self-sufficiency for clients and families, facilitating access to education, employment and services to assist them in reaching their self-sufficiency goals.
6. Continue to educate staff, landlords and other service providers regarding the laws and regulations pertaining to reasonable accommodation for disabled individuals.
7. In a partnership with the Veteran's Administration, HACSA has received 35 Housing Choice Vouchers for homeless veterans. We will start intake in January of 2010.

PROGRAM SUMMARY (continued)

SECTION 8

| | <u>2006-07</u> <u>ACTUAL</u> | <u>2007-08</u> <u>ACTUAL</u> | <u>2008-09</u> <u>BUDGET</u> | <u>2009-10</u> <u>PROPOSED</u> |
|---|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| EXPENDITURES | | | | |
| Personal Services | \$ 1,643,982 | \$ 1,763,530 | \$ 1,722,316 | \$ 1,820,700 |
| Materials and Services | 13,692,067 | 13,499,860 | 13,982,684 | 14,064,300 |
| Capital Outlay | | | 110,000 | 60,000 |
| Debt Service | | | | |
| | <u>\$15,336,049</u> | <u>\$15,263,390</u> | <u>\$15,815,000</u> | <u>\$15,945,000</u> |
| FULL-TIME EQUIVALENT POSITIONS | | | | |
| | <u>27.25</u> | <u>27.90</u> | <u>25.17</u> | <u>24.89</u> |