

HACSA 4a

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

TO: HACSA Board of Commissioners

FROM: Larry Abel, Deputy Director
 Chris Todis, Executive Director

AGENDA ITEM TITLE: ORDER/In the Matter of Adopting the 2004/2005
 Budget and Making Appropriations

AGENDA DATE: September 29, 2004

I. MOTION

IT IS MOVED THAT THE ORDER BE APPROVED WHICH ADOPTS THE 2004/2005
AGENCY BUDGET AND MAKES APPROPRIATIONS.

II. ISSUE

It is necessary for the Board to adopt the Agency FY2005 budget
prior to October 1, 2004.

III. DISCUSSION

A. Background

This Order approves the Agency's budget for the
fiscal year beginning October 1, 2004.

B. Analysis

Attached is the Executive Director's memorandum
transmitting the proposed HACSA budget for FY2005
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, 2004.

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 2004/2005 BUDGET AND
) MAKING APPROPRIATIONS

WHEREAS, it is necessary for the Board to adopt a 2004/2005 fiscal year budget for the Housing And Community Services Agency of Lane County, Oregon; and

WHEREAS, the HACSA Executive Director has recommended approval of the proposed HACSA budget for the 2004/2005 fiscal year; and

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

ORDERED, that the 2004/2005 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, 2004, and for the purposes shown below, are hereby appropriated:

GENERAL FUND

Community Services Division	\$ 4,776,000
Housing Division	6,004,000
Section 8 Division	<u>16,106,000</u>
Total	<u>\$26,886,000</u>

ADOPTED, by the Housing And Community Services Agency of Lane County, Oregon, this 29th day of September, 2004.

Chairperson, HACSA Board of Commissioners

IN THE MATTER OF ADOPTING THE 2004/2005 BUDGET AND MAKING APPROPRIATIONS

APPROVED AS TO FORM

Date 9/17/04 Jens C. Fisher Lane County
OFFICE OF LEGAL COUNSEL

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

TO: HACSA Board of Commissioners

FROM: Chris Todis, Executive Director
 Larry Abel, Deputy Director

SUBJECT: Transmittal of Proposed HACSA Budget for FY2005

DATE: September 15, 2004

HACSA's FY2005 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 program budgets are balanced. Program summaries are shown for these divisions: Community Services, Housing, and Section 8.

This budget totals \$26,886,000, a net increase of \$333,000 over the FY04 budget. Net changes are itemized as follows:

1. Community Services. Net increase of \$186,000 due primarily to the increased funding of our Weatherization Program.
2. Housing. Net decrease of \$313,000 due primarily to decreased funding of capital improvements.
3. Section 8. Net increase of \$460,000. This amount is comprised of projected increases of about \$570,000 (4%) in rental subsidies and a decrease of about \$110,000 in administrative fees of HUD funding for the Section 8 Housing Choice Voucher Program.

Federal funding accounts for approximately 86% of HACSA's revenues. HUD funding alone comprises 82%. Although the budget has increased in absolute dollar value, administrative funding has decreased. In addition to the cut of our Section 8 administrative fee (\$110,000), HUD has also cut our Public Housing operating subsidy by about \$123,000 (7%). These cuts have resulted in six fewer positions; four layoffs and two unfilled positions lost through employee attrition.

Employee benefits in FY05 will be substantially higher than in FY04. The agency-wide increase in health insurance premiums is about \$187,000 (23%). This was a major factor in the decision not to include a cost of living adjustment (COLA) in the FY05 budget.

It seems certain that the FY2005 HUD Appropriations Bill will not be passed until after the election. A continuing resolution will most likely be passed, which will temporarily establish funding at FY04 levels. However, the FY05 Appropriations Bill could result in additional funding cuts, which might precipitate more layoffs.

HOUSING AND COMMUNITY SERVICES AGENCY OF LANE COUNTY, OREGON

COMPARATIVE SUMMARY OF RESOURCES AND EXPENDITURES

	<u>2001-02</u> <u>ACTUAL</u>	<u>2002-03</u> <u>ACTUAL</u>	<u>2003-04</u> <u>BUDGET</u>	<u>2004-05</u> <u>PROPOSED</u>
RESOURCES				
Fund Balance	\$ 187,673	(\$ 272,749)		\$ 100,000
Loans	877,678		\$ 2,864,000	2,564,000
Revenues:				
Federal grants	19,482,834	21,394,317	20,392,504	20,928,130
Rent	2,384,062	2,339,831	2,438,230	2,405,320
Interest	306,031	243,186	106,300	95,500
Other	1,432,493	593,471	751,966	793,050
	<u>\$24,670,771</u>	<u>\$24,298,056</u>	<u>\$26,553,000</u>	<u>\$26,886,000</u>
EXPENDITURES				
Personal Services	\$ 5,052,847	\$ 5,128,418	\$ 5,418,991	\$ 5,314,151
Materials and Services	16,523,559	17,120,995	16,699,836	17,464,837
Capital Outlay	1,698,471	1,478,442	3,821,000	3,498,362
Debt Service	1,395,895	570,201	613,173	608,650
	<u>\$24,670,772</u>	<u>\$24,298,056</u>	<u>\$26,553,000</u>	<u>\$26,886,000</u>
PROGRAM EXPENDITURES				
Community Services	\$ 3,830,576	\$ 2,909,608	\$ 4,590,000	\$ 4,776,000
Housing	5,825,933	5,866,621	6,317,000	6,004,000
Section 8	15,014,263	15,521,827	15,646,000	16,106,000
	<u>\$24,670,772</u>	<u>\$24,298,056</u>	<u>\$26,553,000</u>	<u>\$26,886,000</u>
FULL-TIME EQUIVALENT POSITIONS				
	<u>89.25</u>	<u>89.50</u>	<u>90.15</u>	<u>84.15</u>

PROGRAM SUMMARY

COMMUNITY SERVICES

STATEMENT OF PURPOSE

The Community Services Division is comprised of all Agency programs, other than HUD assisted 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 2004-2005 OBJECTIVES

1. Provide cost effective weatherization services to 400 households.
2. Maintain strong program partnerships with local utilities.
3. Develop solar hot water pilot project with EWEB for low-income weatherization program.
4. Complete the rehabilitation work program at Munsel Park Apartments in Florence.
5. Pursue the acquisition and rehabilitation of the Norsemen Village Apartments in Junction City.
6. Carry out the development of the 27-unit Turtle Creek project in Eugene.

PROGRAM SUMMARY (continued)

COMMUNITY SERVICES

	<u>2001-02</u> <u>ACTUAL</u>	<u>2002-03</u> <u>ACTUAL</u>	<u>2003-04</u> <u>BUDGET</u>	<u>2004-05</u> <u>PROPOSED</u>
EXPENDITURES				
Personal Services	\$ 931,648	\$ 906,430	\$ 955,062	\$ 877,537
Materials and Services	1,315,850	1,594,861	1,101,238	1,364,663
Capital Outlay	650,964	239,461	2,364,000	2,364,000
Debt Service	932,114	168,856	169,700	169,800
	<u>\$3,830,576</u>	<u>\$2,909,608</u>	<u>\$4,590,000</u>	<u>\$4,776,000</u>
FULL-TIME EQUIVALENT POSITIONS	<u>13.25</u>	<u>13.50</u>	<u>13.67</u>	<u>12.52</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 2004-2005 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.
2. Continue to protect the Division's assets, through a concerted effort to maintain and upgrade Agency-owned housing units on a regular basis. Begin transition to project based accounting and budgeting.
3. Integrate the Agency's allocation of capital funds into all aspects of the Division's operations, including occupancy, management, and maintenance.
4. Maintain our "high achiever" Public Housing Assessment System (PHAS) ratings by training staff to understand and implement recent changes in the PHAS rules.
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 economic 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.
8. Reorganize the Division in anticipation of additional funding cuts.

PROGRAM SUMMARY (continued)

HOUSING

	<u>2001-02</u> <u>ACTUAL</u>	<u>2002-03</u> <u>ACTUAL</u>	<u>2003-04</u> <u>BUDGET</u>	<u>2004-05</u> <u>PROPOSED</u>
EXPENDITURES				
Personal Services	\$2,585,122	\$2,520,827	\$2,747,625	\$2,822,199
Materials and Services	1,775,036	1,720,168	1,768,902	1,708,589
Capital Outlay	1,001,994	1,224,281	1,357,000	1,056,362
Debt Service	463,781	401,345	443,473	416,850
	<u>\$5,825,933</u>	<u>\$5,866,621</u>	<u>\$6,317,000</u>	<u>\$6,004,000</u>
FULL-TIME EQUIVALENT				
POSITIONS	<u>47.00</u>	<u>46.50</u>	<u>46.52</u>	<u>44.93</u>

PROGRAM SUMMARY

SECTION 8

STATEMENT OF PURPOSE

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

1. Housing Choice Voucher: This is the largest program in the division with 2,627 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 13.5 million federal dollars in Lane County during the next fiscal year.
2. Moderate Rehabilitation: There are 10 units available in this Section 8 project-based assistance program for low income families. These families' rent subsidies are based on their income and the subsidy is paid directly to the landlord.
3. 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.
4. 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 2004-2005 OBJECTIVES

1. Maintain a 100% lease rate which maximizes low income housing resources in the community.
2. Increase the number of participants in the home ownership program through education, counseling and partnership with local housing providers and lenders. 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.
3. 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.
4. Emphasize self-sufficiency, facilitating access to education, employment and services, to assist families in reaching their goals.
5. Continue to educate staff, landlords and other service providers regarding the laws and regulations pertaining to reasonable accommodation for disabled individuals.
6. Provide outreach and accessibility to all housing programs to members of the community.
7. Reorganize the Division in anticipation of additional funding cuts.

PROGRAM SUMMARY (continued)

SECTION 8

	<u>2001-02 ACTUAL</u>	<u>2002-03 ACTUAL</u>	<u>2003-04 BUDGET</u>	<u>2004-05 PROPOSED</u>
EXPENDITURES				
Personal Services	\$ 1,536,077	\$ 1,701,161	\$ 1,716,304	\$ 1,614,415
Materials and Services	13,432,673	13,805,966	13,829,696	14,391,585
Capital Outlay	45,513	14,700	100,000	78,000
Debt Service				22,000
	<u>\$15,014,263</u>	<u>\$15,521,827</u>	<u>\$15,646,000</u>	<u>\$16,106,000</u>
FULL-TIME EQUIVALENT POSITIONS				
	<u>29.00</u>	<u>29.50</u>	<u>29.96</u>	<u>26.70</u>