

**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, 2008

**AGENDA DATE:** September 26, 2007

**I. MOTION**

IT IS MOVED THAT THE ORDER/RESOLUTION BE ADOPTED APPROVING THE PUBLIC HOUSING OPERATING BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008.

**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 2008 operating budget for the Public Housing Program. In past years, the Agency's public housing budget included the operations of all 708 units of HACSA public housing. FY 2008 will be the first 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. 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 shows a positive cash flow from operations. The combined total is \$61,200.

Also attached is a budget for the Agency's central office cost center (COCC). Under HUD's model, the COCC is analogous to the administrative offices of a private property management company.

Accordingly, the revenue of the COCC includes certain fees. The management, bookkeeping and asset management fees are charged to the AMPs. These fees have been limited by HUD (e.g. the management fee is \$42.16 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.

The COCC projects a net cash flow of \$6,300.

C. Alternatives/Options

HUD requires the Board to approve next (fiscal) year's Public Housing Operating budget by September 30, 2008.

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, 2007.

**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, 2008**

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, 2007 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  
Previous editions are obsolete **September 30, 2008** form HUD-52574 (08/2005)

APPROVED AS TO FORM  
Date 9/17/07 Lane County  
[Signature]  
OFFICE OF LEGAL COUNSEL

(All amounts rounded to the nearest \$100)

AMP	AMP	AMP	AMP	AMP	AMP	TOTAL
100	200	300	400	500	600	

Mixed	Mixed	Mixed	Elderly	Mixed	Elderly	
No	Mixed	Mixed	No	No	No	
1960	1965	1986	1966	1968	1970	
Yes	No	No	No	No	No	
30	214	130	150	90	94	708
2.27	1.99	2.94	1.14	1.24	1.00	1.77
98%	99%	97%	99%	98%	99%	98%

\$ 36,000	\$ 385,000	\$ 216,000	\$ 338,000	\$ 169,000	\$ 156,000	\$ 1,300,000
-	-	-	6,600	3,900	20,500	31,000
2,100	14,700	9,000	10,300	6,200	6,500	48,800
87,400	512,000	367,000	299,300	216,900	197,400	1,680,000
700	5,000	3,000	3,500	2,100	2,200	16,500
\$ 126,200	\$ 916,700	\$ 595,000	\$ 657,700	\$ 398,100	\$ 382,600	\$ 3,076,300

\$ 7,900	\$ 70,200	\$ 43,700	\$ 49,700	\$ 31,900	\$ 31,800	\$ 235,200
4,800	43,100	27,500	30,200	19,300	19,400	144,300
200	1,400	800	1,000	600	500	4,500
300	1,900	1,200	1,300	800	800	6,300
500	3,300	2,100	2,300	1,400	1,400	11,000
200	1,200	700	900	500	500	4,000
14,100	107,200	63,800	75,100	44,600	47,100	351,900
2,500	19,100	11,300	13,400	7,900	8,400	62,600
400	3,000	1,900	2,100	1,300	1,300	10,000
800	6,100	3,700	4,200	2,500	2,700	20,000
100	500	400	400	300	300	2,000
100	500	400	400	300	300	2,000
900	6,100	3,700	4,400	2,600	2,800	20,500
100	900	600	600	400	400	3,000
1,000	7,300	4,400	5,100	3,100	3,200	24,100
3,400	24,400	15,100	17,200	10,500	11,000	81,600
\$ 83,900	\$ 271,800	\$ 166,200	\$ 191,100	\$ 117,500	\$ 120,900	\$ 901,400

Family/Elderly	
Scattered Site?	
Age	
Recently renovated?	
Units	
Average Bedroom Size	
% Occupied	

#### REVENUE

Dwelling Rentals	
Investment Income	
Other Income	
Operating Subsidy	
Transfer from Capital Fund	
Total Revenue	

#### EXPENSES

Administrative Salaries	
Benefits (47%)	
Staff Training	
Travel Expense	
Audit	
Legal	
Management Fee	
Bookkeeping Fee	
Sundry	
Stationary, Copier, Office Supplies	
Telephone	
Postage	
Publications, Dues Fees	
Computer Expense	
Background Checks	
Misc. Sundry	
Total Sundry	
Total Administrative	

Resident Services Salaries  
Benefits (53%)  
Other  
Total Resident Services

\$	1,300	\$	9,000	\$	5,500	\$	6,300	\$	3,800	\$	4,000	\$	29,900
	800		5,500		3,300		3,900		2,300		2,400		18,200
	800		6,100		3,700		4,200		2,500		2,700		20,000
\$	2,900	\$	20,600	\$	12,500	\$	14,400	\$	8,600	\$	9,100	\$	68,100

Gas  
Electric  
Water/Sewer  
Total Utilities

\$	-	\$	-	\$	-	\$	91,700	\$	22,100	\$	1,200	\$	115,000
	2,000		2,200		3,200		50,800		7,100		12,400		77,700
	21,800		82,500		15,700		26,500		46,600		37,500		230,600
\$	23,800	\$	84,700	\$	18,900	\$	169,000	\$	75,800	\$	51,100	\$	423,300

Maintenance Salaries  
Benefits (65%)  
Materials  
Maintenance Fee for Service  
Maintenance Contracts

\$	-	\$	92,400	\$	60,500	\$	56,800	\$	29,600	\$	37,100	\$	276,400
	-		63,900		41,300		41,300		25,200		28,400		200,100
	-		67,100		36,600		16,500		21,900		22,900		165,000
	-		105,000		111,000		33,000		24,000		27,000		300,000
	10,000		-		-		-		-		-		10,000

Contract Costs  
Cleaning & Painting/Vanities  
Elevators  
Vehicle Repairs/Fleet Service  
Grounds Maintenance  
Garbage  
Janitorial Service  
Pest Control  
Drain Cleaning  
Carpet Supply & Installation  
All Other  
Total Maintenance

	-		14,700		12,900		8,100		4,800		4,500		45,000
	-		1,400		-		6,600		1,800		3,200		13,000
	-		6,000		5,100		3,300		5,100		5,500		25,000
	-		4,500		-		5,400		13,200		5,100		28,200
	5,600		31,300		19,600		11,400		21,900		7,400		97,200
	-		-		600		9,600		600		4,700		15,500
	600		2,400		-		-		-		-		3,000
	-		6,400		1,300		500		1,600		1,200		11,000
	-		2,100		4,700		500		1,200		500		9,000
	3,100		18,400		30,800		11,100		5,200		8,900		77,500
\$	19,300	\$	415,600	\$	324,400	\$	204,300	\$	156,100	\$	156,400	\$	1,275,900

Security Labor  
Benefits (18%)  
Total Protective Services

\$	4,800	\$	9,700	\$	-	\$	2,800	\$	900	\$	2,400	\$	20,600
	900		1,700		-		500		200		500		3,800
\$	5,700	\$	11,400	\$	-	\$	3,300	\$	1,100	\$	2,900	\$	24,400

Insurance  
PILOT  
Bad Debts - Tenant Rents  
Total General Expenses

\$	2,900	\$	20,300	\$	12,200	\$	14,200	\$	8,500	\$	8,900	\$	67,000
	2,800		30,200		19,300		17,900		9,300		10,500		90,000
	1,300		9,100		5,400		6,400		3,800		4,000		30,000
\$	7,000	\$	59,600	\$	36,900	\$	38,500	\$	21,600	\$	23,400	\$	187,000

Extraordinary Maintenance

\$	2,100	\$	15,100	\$	9,100	\$	10,900	\$	6,300	\$	6,500	\$	50,000
----	-------	----	--------	----	-------	----	--------	----	-------	----	-------	----	--------

Total Expenses excluding Asset Management

\$	94,700	\$	878,800	\$	568,000	\$	631,300	\$	387,000	\$	370,300	\$	2,990,100
----	--------	----	---------	----	---------	----	---------	----	---------	----	---------	----	-----------

Asset Management

\$	3,600	\$	25,700	\$	15,600	\$	18,000	\$	10,400	\$	11,300	\$	85,000
----	-------	----	--------	----	--------	----	--------	----	--------	----	--------	----	--------

Total Expenses

\$	98,300	\$	904,500	\$	583,600	\$	649,300	\$	397,400	\$	381,600	\$	3,075,100
----	--------	----	---------	----	---------	----	---------	----	---------	----	---------	----	-----------

Cash Flow from Operations

\$	27,900	\$	12,200	\$	11,400	\$	8,400	\$	300	\$	1,000	\$	61,200
----	--------	----	--------	----	--------	----	-------	----	-----	----	-------	----	--------

**HACSA**  
**BUDGET FOR CENTRAL OFFICE COST CENTER**  
**October 1, 2007 - September 30, 2008**  
(All amounts rounded to the nearest \$100)

**REVENUE**

Public Housing Management Fees	\$ 351,900
Public Housing Bookkeeping Fees	62,600
Public Housing Asset Management Fee	85,000
Capital Fund Administrative Fee	120,500
ROSS PH Family Self-Sufficiency Grant	65,000
Housing Choice Voucher Program Administrative Fee	380,000
Section 236 and Section 8 New Construction Overhead Reimbursement	103,800
Other Programs Overhead Reimbursement	302,100
Maintenance Fee for Service	300,000
Interest Income	15,000

<b>TOTAL REVENUE</b>	<b>\$1,785,900</b>
----------------------	--------------------

**EXPENSES**

Administrative Salaries	\$ 875,000
Administrative Employee Benefits	458,600
Audit	2,000
Legal	1,000
Staff Training	1,000
Travel	5,700
Computer Expense	11,000
Telephone	10,000
Postage	13,000
Office Expense	17,000
Other	500
<b>Total Administrative</b>	<b>1,394,800</b>

Water and Sewer	5,400
Electric	17,300
<b>Total Utilities</b>	<b>22,700</b>

Maintenance Labor	187,800
Maintenance Employee Benefits	128,800
Materials	2,500
Contracts	40,000
<b>Total Maintenance</b>	<b>359,100</b>

Insurance	3,000
<b>Total General</b>	<b>3,000</b>

<b>TOTAL EXPENSES</b>	<b>\$1,779,600</b>
-----------------------	--------------------

<b>NET CASH FLOW</b>	<b>\$ 6,300</b>
----------------------	-----------------