

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Sitting/Acting as:
Board of Commissioners of the Housing Authority of Clackamas County

Study Session Worksheet

Presentation Date: June 16, 2020 **Approx. Start Time:** 2:00 PM **Approx. Length:** 30 min

Presentation Title: HACC FY 2020-2021 Budget

Department: Housing Authority of Clackamas County (HACC)

Presenters: Jill Smith

Other Invitees: Richard Swift and Jason Kirkpatrick, Deputy Director of Finance

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

We are seeking review of the Housing Authority 2020-2021 budget with a recommendation to approve it at the HACC Board of Commissioner's June 18th business meeting. Once approved, the budget will be submitted to the U.S. Department of Housing and Urban Development.

EXECUTIVE SUMMARY:

Background:

The Housing Authority of Clackamas County (HACC) is a municipal corporation established under ORS Chapter 456, and is considered a component unit of Clackamas County. HACC receives approximately Ninety percent (90%) of its funding from the U.S. Department of Housing and Urban Development (HUD). HUD rules and regulations are the dominant driver of HACC operations. Each year, HACC is required to submit an annual budget to HUD for review and approval.

As stated in HACC's bylaws, the five elected County Commissioners plus (up to two additional members) one resident or housing program participant and one resident of the county constitutes the HACC Board of Commissioners. Review and approval of the HACC Public Housing budget by the HACC Board of Commissioners is required by HUD.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

The proposed budget of \$27,044,088 is for fiscal year 2020-2021 (July 1, 2020-June 30, 2021). The total operating surplus for this budget is projected to be \$38,980.

What is the funding source?

U.S Department of Housing and Urban Development

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department's Strategic Business Plan goals?
 - Sustainable and Affordable Housing
 - Efficient & effective services

- How does this item align with the County’s Performance Clackamas goals?
 - Public trust through accurate accounting of government resources
 - Ensure safe, healthy and secure communities

LEGAL/POLICY REQUIREMENTS:

HUD requires that the Public Housing budget be approved by the HACC Board prior to submitting the budget to HUD for their approval.

PUBLIC/GOVERNMENTAL PARTICIPATION:

HUD does not require a public process however the budget must be approved by the HACC Board at a public business meeting.

OPTIONS:

1. Review and approve the budget as proposed.
2. Review the budget, direct changes to the budget, and place the budget on the June 18, 2020 Housing Authority Board of Commissioners meeting, as a consent agenda item.
3. Direct staff to make changes and bring back for additional discussion, at a future policy session.

RECOMMENDATION:

Staff recommends that the HACC Board of Commissioners select option two (2) above: review the budget, direct changes to the budget, and place the budget on the June 18th, 2020 Housing Authority Board of Commissioners meeting, as a consent agenda item.

Richard Swift
 Director, Health, Housing, and Human Services

ATTACHMENTS:

- Power Point Presentation
- Study Session Packet including:
 - Housing Authority Fund Narrative
 - Housing Authority Organizational Chart
 - Division Purpose Statement
 - HACC FY 2020/2021 Agency Wide Budget
 - HACC FY 2020/2021 Public Housing by Project Budget
 - Budget graphs

SUBMITTED BY:

Division Director/Head Approval _____
 Department Director/Head Approval _____
 County Administrator Approval _____

For information on this issue or copies of attachments, please contact Jill Smith @ 503-742-5336
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Description of Fund

The Housing Authority provides affordable and safe housing to low income residents by owning and managing a portfolio of approximately 1,100 units, and by administering the Housing Choice Voucher program of over 1,800 vouchers.

Many clients are elderly or disabled, or former victims of domestic violence who are now single women-head of household with children. There are six (6) budget activities: Low Rent Public Housing (operation of 445 public housing units); Housing Choice Vouchers (administration of the voucher program and pass through rent assistance); Local Projects (operation of 355 other affordable and special needs housing units); Central Office (administration and finance); Housing Development (creating new housing or preserving existing units); and Grants (Capital Fund and Resident Self-Sufficiency).

Revenue Summary

Ninety percent (90%) of revenues are Federal funds, allocation from Congress through the U.S. Department of Housing and Urban Development (HUD) in the following form: Public Housing Operating Subsidy for the operations of public housing; Capital Fund Grant for major physical repairs of public housing; Voucher Admin Fee for the administration of the voucher program; Housing Assistance Payment for pass through rent assistance to landlords; and Grants for Family Self-Sufficiency and Resident Services. The total amount is \$27,083,067. While this is a 6.7% increase over last year's budget the majority of the increase is from projected revenues generated from an increase in funding from HUD and development. This is a reflection of HUD's view on the need for housing.

Of that total, other non-federal earned revenue includes: Local Projects housing portfolio totaling \$739,446 and Development \$2,439,213. County estimated contributions of \$90,960 and \$150,000 to the Local Projects and Development, respectively, are additional sources of non-federal funds.

Expenditure Summary

Total expenditures are estimated to be \$27,044,088. The total operating surplus for this fiscal year is projected to be \$38,980. Central Office (Administration) is budgeted to lose <\$776,153> which is offset in total by Public Housing, Local Projects, Vouchers, and Development which show a combined surplus of \$815,133. Public Housing is budgeted to end the year with an operating surplus of \$126,222 and Housing Vouchers a surplus of \$24,264. The remaining amount to balance the funds is cash from Local Projects, Development, and Easton Ridge.

We continue to work diligently to identify and implement opportunities to reduce program delivery costs and streamline operations in program areas where expenditures exceed revenue.

Significant Issues & Changes

HUD funding dramatically impacts HACC's budget. An example is the Voucher Program which continues to receive from HUD a proration of approximately 80% of allowable administrative fees. HACC has reduced Voucher frontline FTE's in past budgets in response to these cuts. This has resulted in an increased workload of about 120% of the industry standard for Section 8 administration.

Although we still have cash available from Easton Ridge, development fees have been distributed except for an amount reserved by OHCS. HACC is working with our property manager to have these remaining funds released. We expect to receive approximately \$570,000 once all OHCS requirements have been met.

Low Rent Public Housing (LRPH)

Property Managers are responsible for management of 445 units of federally subsidized public housing in four Asset Management Property groupings. Each property manager is responsible for a portfolio of housing units. To support the operations of the housing, each Property Manager has a staff of maintenance personnel and administrative support. Staff performs wait list management, unit leasing of new residents, grounds and unit maintenance, oversight of landlord/tenant issues, provision of resident services, and annual recertification of resident income per HUD guidelines to maintain housing eligibility. .

Voucher Program

The Voucher staff oversees the issuance of over 1,800 rent subsidy vouchers for eligible clients to use in the rental of housing from private landlords who participate in the voucher program. To support this activity, staff manages waiting list and preferences, performs on-site rental inspections to meet housing quality requirements, issues vouchers to clients once eligibility requirements are met, responds to landlord/client issues, and recertifies each resident's income annually per HUD guidelines to maintain housing eligibility.

Local Projects

Local Projects includes HACC owned housing units that are self-managed or third-party managed that are not part of the Public Housing portfolio. Third-party managed units include Arbor Terrace in Molalla and Easton Ridge in Clackamas, managed by M.L.K. Property Management and Quantum Property Management, respectively. Self-managed units include 11 units of family affordable housing and 55 units of special needs housing either managed by HACC or leased to the County or to a third-party service provider.

Resident Services

Resident Services programs promote the development of local strategies to assess the needs of Public Housing and Section 8 residents and then coordinate available resources in the community to meet those needs.

These services enable participating families to increase earned income, reduce or eliminate the need for assistance, and make progress toward achieving economic independence and self-sufficiency. For elderly or disabled residents, the program helps improve living conditions and enable residents to age-in-place. For low-income families the program provides opportunities for education, job training, counseling and other forms of social service assistance.

HACC received HUD grants for Resident Services in both major programs. In Public Housing this is the Resident Opportunities and Self Sufficiency (ROSS) Grant Program. In Section 8, it's the Family Self-Sufficiency (FSS) Program. The total budget for both grants annually is \$226,709.

County General Funds through the Affordable Housing & Services Fund Policy Level Proposal, allowed us to expand the resident services team through four contracts with additional service providers. The service providers dedicated to serving Public Housing residents include Home Forward, who provides additional service coordination valued at \$99,999/year; Mental Health Association and Addiction of Oregon who provides peer support services valued at \$94,925.34; and Social Services Division who provides case management services valued at \$60,000. The fourth contract is with Do Good Multnomah to provide resident services to HACC's newly acquired Veteran housing property, Clayton Mohr, valued at \$120,000/year.

Development

Director of Development oversees all of the development activities that involve HACC funding or impact HACC properties. The Director of Development works with the Development staff to manage projects, explore new developments, and facilitate the planning and pre-development meetings associated with the potential sale and/or redevelopment of HACC Public Housing properties.

Central Office

The Central Office oversees the administrative operations of the agency. Functions include the Executive Director who provides general oversight; the Housing Asset Manager, who oversees Low Rent Public Housing (LRPH), Local Project, and Tax Credit property; the Deputy Director-Finance who oversees HACC's finances and financial reporting requirements, and the Administrative Services Supervisor who oversees office staff and is responsible for administering special HACC projects and activities.

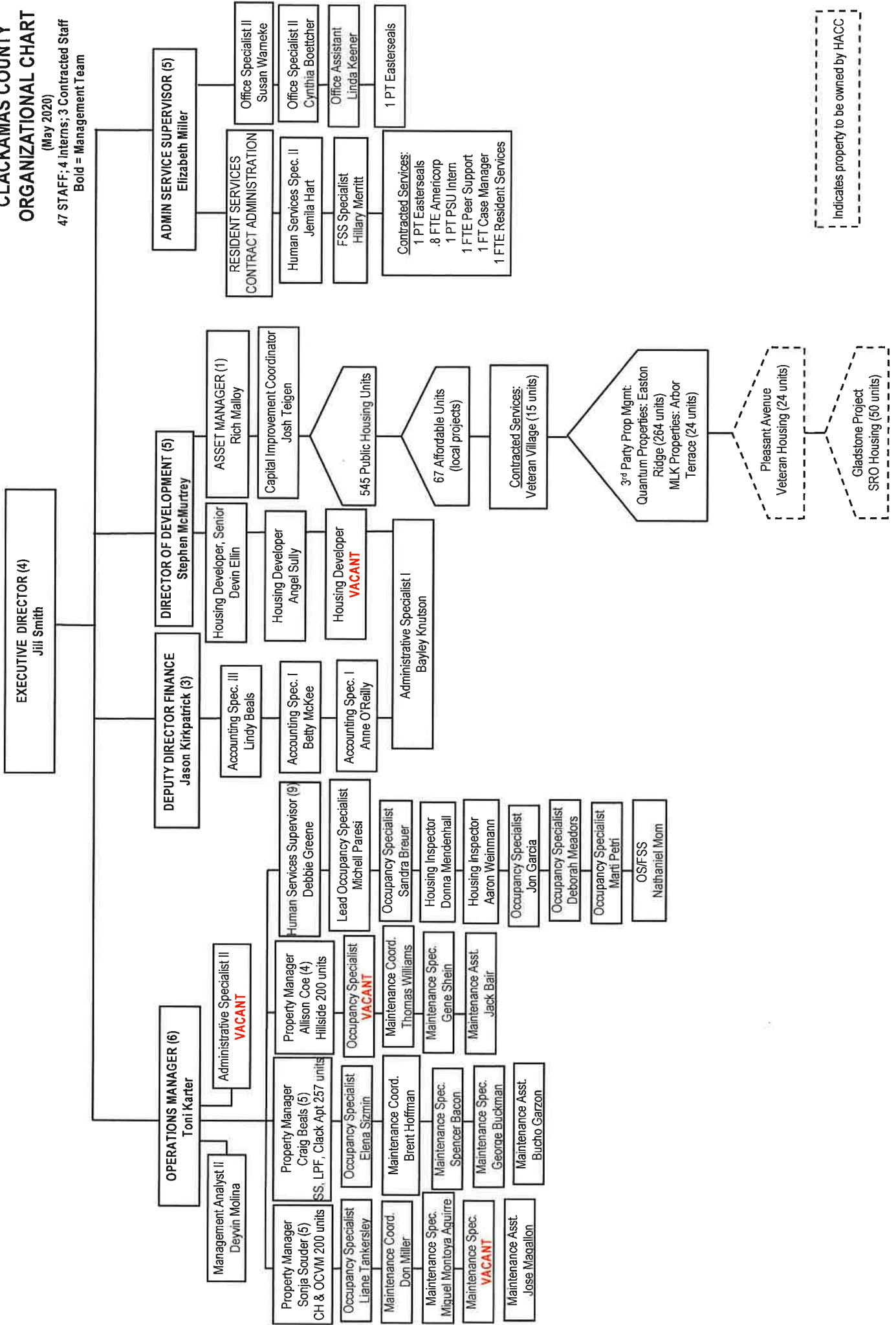
Grants

HUD provides an annual Low Rent Public Housing Capital Fund grant for the renovation and modernization of public housing. HUD also provides a grant for permanent supportive housing, called Shelter Plus-Care, for disabled homeless residents coming off the Coordinated Housing Assessment waitlist.

HOUSING AUTHORITY OF CLACKAMAS COUNTY ORGANIZATIONAL CHART

(May 2020)

47 STAFF; 4 Interns; 3 Contracted Staff
Bold = Management Team



Indicates property to be owned by HAAC

Housing Authority



Division Purpose Statement

The purpose of the Housing Authority of Clackamas County is to provide voucher, public housing, maintenance, and resident services to low-income individuals who receive, or who have qualified to receive, assistance from the Housing Authority so they can experience stable, affordable, and quality housing.

Housing Authority of Clackamas County

Jill Smith - Executive Director
 Jason Kirkpatrick - Deputy Director - Finance
 FTE 44
 Total Request \$ 27,044,088
 General Fund Support \$ 240,960

HACC	
Jill Smith - Division Director	
Total Request	\$27,044,088
Gen Fund	\$ 240,960

Public Housing	
Total Request	\$3,563,939
Gen Fund	\$ -

Development	
Total Request	\$1,930,596
Gen Fund	\$ 150,000

Central Office	
Total Request	\$1,296,362
Gen Fund	\$ -

Housing Vouchers	
Total Request	\$17,282,656
Gen Fund	\$ -

Grants	
Total Request	\$2,387,119
Gen Fund	\$ -

Local Projects	
Total Request	\$583,417
Gen Fund	\$ 90,960

Housing Authority of Clackamas County
All Programs Budget
Fiscal Year 2020/2021

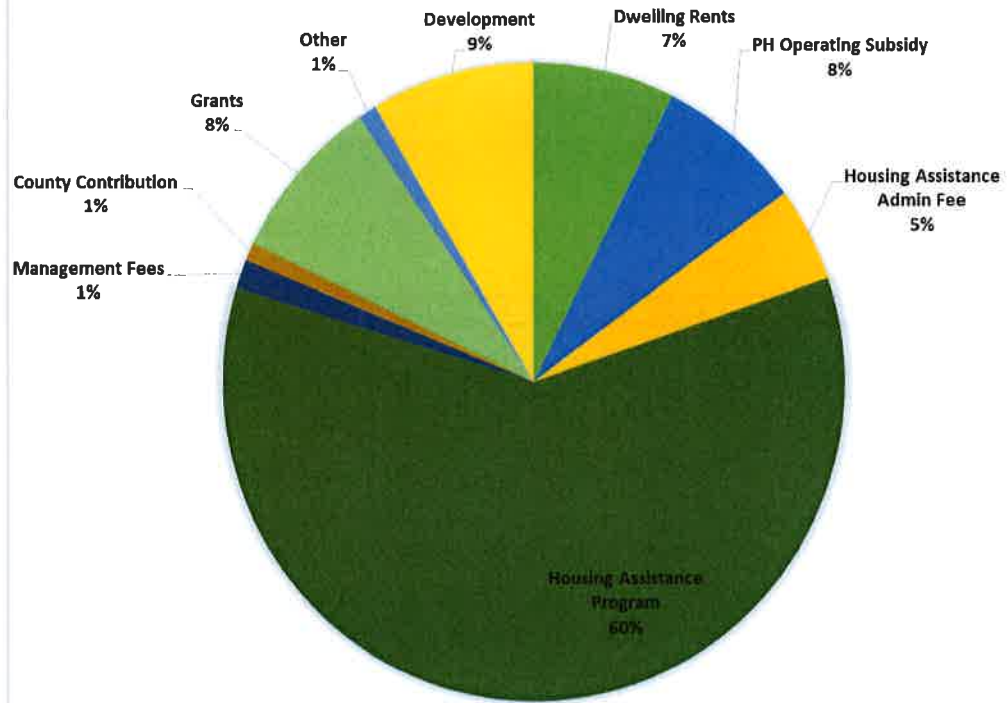
	Public Housing	Housing Vouchers	Local Projects	Central Office	Development	Grants	FY21 Total	FY 2020 6/30/2020 Budget	FY 2019 6/30/2019 Budget	FY 2018 6/30/2018 Budget	\$ Change from Prior Year Budget	% Change from Prior Year Budget
Revenue:												
Dwelling rent	1,468,100		571,190				2,039,290	2,383,065	2,223,249	1,896,896	(343,775)	-14.43%
Vacancy loss	(51,500)		(4,317)				(55,817)	(63,443)	(47,202)	(58,140)	7,626	-12.02%
Other tenant income	109,500	29,370	4,800				143,670	178,790	160,082	128,603	(35,120)	-19.64%
Operating subsidy	1,893,561	1,425,000		122,559		27,000	3,468,120	3,493,992	3,683,350	3,289,044	(25,872)	-0.74%
Housing assistance payments		15,723,082				445,920	16,169,002	15,192,953	14,404,534	12,214,586	976,049	6.42%
Mgmt fees				397,650			397,650	468,206	455,626	453,705	(70,556)	-15.07%
Interest income	500						500	20,550	20,931	23,295	(20,050)	-97.57%
County contribution	270,000	129,468	90,960		150,000		240,960	240,960	271,971	90,960	101,993	4.70%
Grant revenue			76,813			1,871,693	2,271,161	2,169,168	1,147,105	888,423	1,106,183	84.94%
Other/in-kind					2,289,213	42,505	2,408,531	1,302,348	769,293	693,862		
TOTAL REVENUE	3,690,161	17,306,920	739,446	520,209	2,439,213	2,387,118	27,083,067	25,386,589	23,088,939	19,621,234	1,696,478	6.68%
AVAILABLE RESOURCES	3,690,161	17,306,920	739,446	520,209	2,439,213	2,387,118	27,083,067	25,386,589	23,088,939	19,621,234	1,696,478	6.68%
ADMINISTRATIVE EXPENSE:												
Salaries	408,401	716,035	117,672	638,466	512,704	9,225	2,402,504	2,132,370	1,918,999	1,701,019	270,134	12.67%
Employee benefits	261,631	443,837	69,557	400,750	258,914	6,558	1,441,247	1,339,754	1,108,321	1,007,673	101,493	7.58%
Legal fees	15,400	2,200	700	3,600	5,000		26,900	33,000	28,817	29,896	(6,100)	-18.48%
Staff training/travel	18,000	7,700	500	10,000	10,000		46,200	46,700	35,135	22,685	(900)	-1.07%
Auditing fees	19,833	13,501	1,143	7,983	5,397		47,857	46,274	45,534	44,400	1,583	3.42%
Other administrative expenses	164,445	279,153	124,742	215,062	1,138,581		1,921,983	1,579,364	1,313,266	1,223,059	342,619	21.69%
Management fee expense	397,650						397,650	468,206	455,626	453,708	(70,556)	-15.07%
TOTAL ADMINISTRATIVE	1,285,361	1,462,425	314,314	1,275,862	1,930,596	15,783	6,284,341	5,645,668	4,905,698	4,482,440	638,673	11.31%
TENANT SERVICES:												
Salaries	16,059	60,570				51,759	128,388	110,820	111,800	108,016	17,568	15.85%
Benefits	11,066	28,578				35,666	75,311	68,673	78,031	75,060	6,638	9.67%
Other	12,600					36,816	49,416	50,616	70,227	31,000	(1,200)	-2.37%
TOTAL TENANT SERVICES	39,726	89,148	-	-	-	124,241	253,115	230,109	260,058	214,076	23,006	10.00%
UTILITIES:												
Water	163,500		11,100				174,600	204,085	182,554	171,689	(29,485)	-14.45%
Sewer	348,500		32,200				380,700	465,779	428,064	413,170	(85,079)	-18.27%
Electricity	26,700		10,700	6,900			44,300	117,400	106,701	119,090	(73,100)	-62.27%
Gas	3,700			3,800			7,500	26,300	25,991	33,871	(18,800)	-71.48%
TOTAL UTILITIES	542,400	-	54,000	10,700	-	-	607,100	613,564	743,310	737,820	(205,464)	-25.38%

Housing Authority of Clackamas County
Public Housing Budget

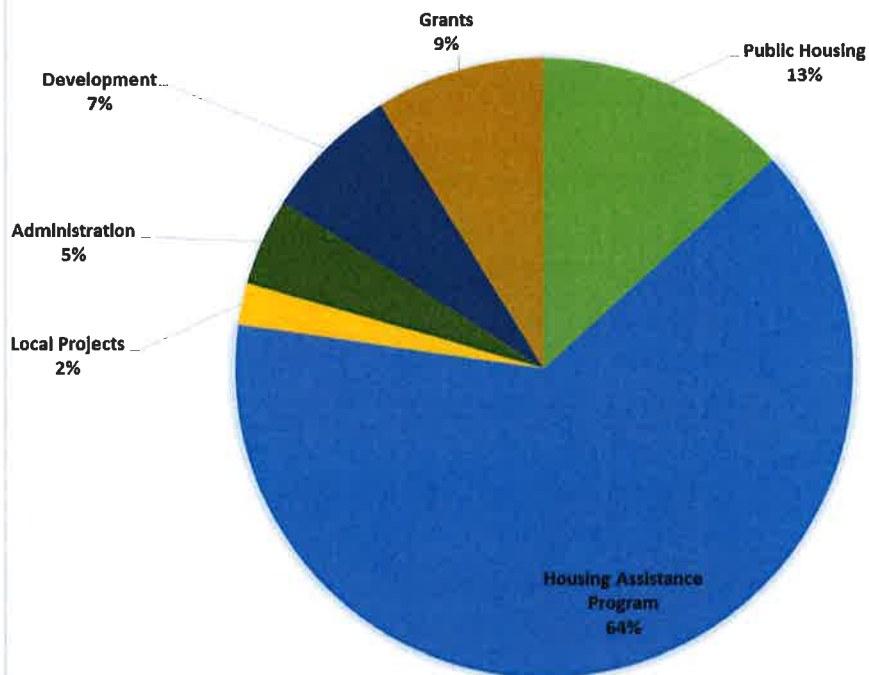
	Clackamas Heights (501)	Scattered Sites (502)	Hillside Park (503)	OCVM (504)	Hillside Manor (505)	Public Housing FY21 Total
INCOME:						
Dwelling rent	334,400	630,900	260,900	241,900	-	1,468,100
Vacancy loss (3%)	(10,000)	(20,000)	(6,500)	(15,000)	-	(51,500)
Other tenant income	19,400	33,000	22,100	35,000	-	109,500
Operating subsidy	451,000	519,487	398,168	524,906	-	1,893,561
Interest income	50	300	100	50	-	500
Grant revenue	50,000	100,000	65,000	55,000	-	270,000
Other/Inkind	-	-	-	-	-	-
TOTAL REVENUE	844,850	1,263,687	739,768	841,856	-	3,690,161
ADMINISTRATIVE EXPENSE:						
Salaries	89,578	146,268	86,328	86,227	-	408,401
Employee benefits	61,305	94,467	52,830	53,029	-	261,631
Legal fees	900	7,500	2,000	5,000	-	15,400
Staff training/travel	4,500	4,500	4,500	4,500	-	18,000
Auditing fees	4,451	6,489	4,439	4,454	-	19,833
Other administrative expenses	46,859	49,400	34,100	34,086	-	164,445
Management fee expense	89,500	129,300	88,900	89,950	-	397,650
TOTAL ADMINISTRATIVE	297,093	437,924	273,097	277,246	-	1,285,361
TENANT SERVICES:						
Salaries	3,608	5,236	3,608	3,608	-	16,059
Benefits	2,486	3,608	2,486	2,486	-	11,066
Other	3,400	1,300	4,500	3,400	-	12,600
TOTAL TENANT SERVICES	9,494	10,143	10,594	9,494	-	39,726
UTILITIES:						
Water	36,600	65,600	28,100	33,200	-	163,500
Sewer	91,700	105,500	57,300	94,000	-	348,500
Electricity	8,500	2,200	6,400	9,600	-	26,700
Gas	800	1,300	800	800	-	3,700
TOTAL UTILITIES	137,600	174,600	92,600	137,600	-	542,400
MAINTENANCE:						
Labor	99,461	242,943	163,495	100,466	-	606,366
Benefits	62,636	178,030	118,028	63,268	-	421,962
Materials	19,300	61,800	16,400	30,600	-	128,100
Garbage contracts	36,300	58,700	34,200	30,500	-	159,700
Other contracts	55,600	91,500	30,100	26,900	-	204,100
TOTAL MAINTENANCE	273,297	632,973	362,223	251,735	-	1,520,228
GENERAL EXPENSES:						
Insurance	17,325	32,800	16,900	23,200	-	90,225
Payment in Lieu of Taxes	11,000	50,000	18,000	7,000	-	86,000
TOTAL GENERAL EXPENSES	28,325	82,800	34,900	30,200	-	176,225
TOTAL EXPENSES	745,810	1,338,440	773,414	706,275	-	3,563,939
OPERATING SURPLUS (DEFICIT)	99,040	(74,753)	(33,646)	135,581	-	126,222

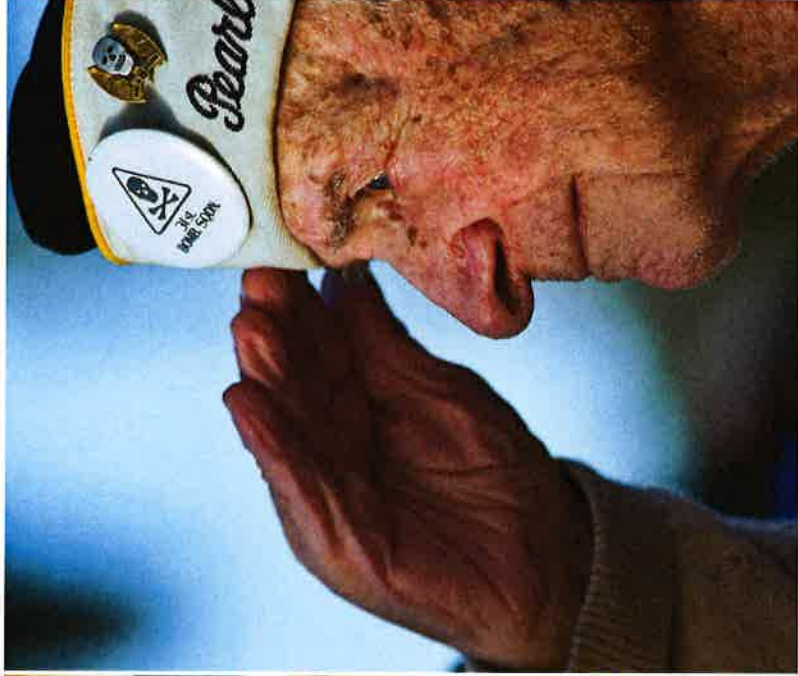
HACC 2020-2021 Budget

SOURCES OF FUNDING



EXPENSES





Housing Authority of Clackamas County

2020-2021 BUDGET PRESENTATION

Housing Authority of Clackamas County

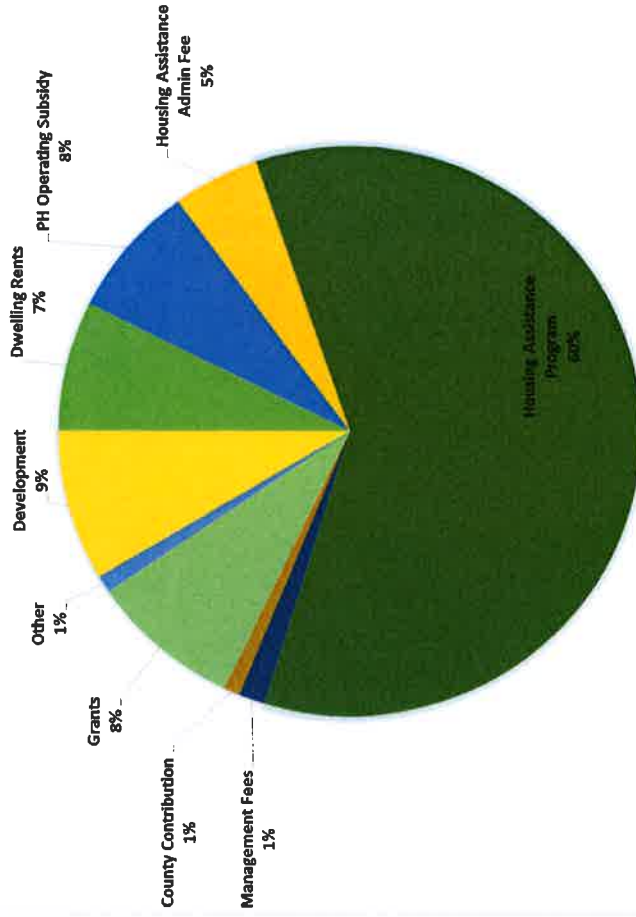
- The Housing Authority of Clackamas County (HACC) is a municipal corporation established under Oregon Revised Statutes Chapter 456 to provide low cost housing to individuals meeting criteria established by the U.S. Department of Housing and Urban Development (HUD).
- As provided by statute, the Clackamas County Board of County Commissioners plus (up to two additional members) one a resident or participant and one a resident of the county. (the Board) is the governing body of the Authority. HUD provides operating and rental subsidies, and administrative fees for the operation of most of the programs.

Housing Authority of Clackamas County

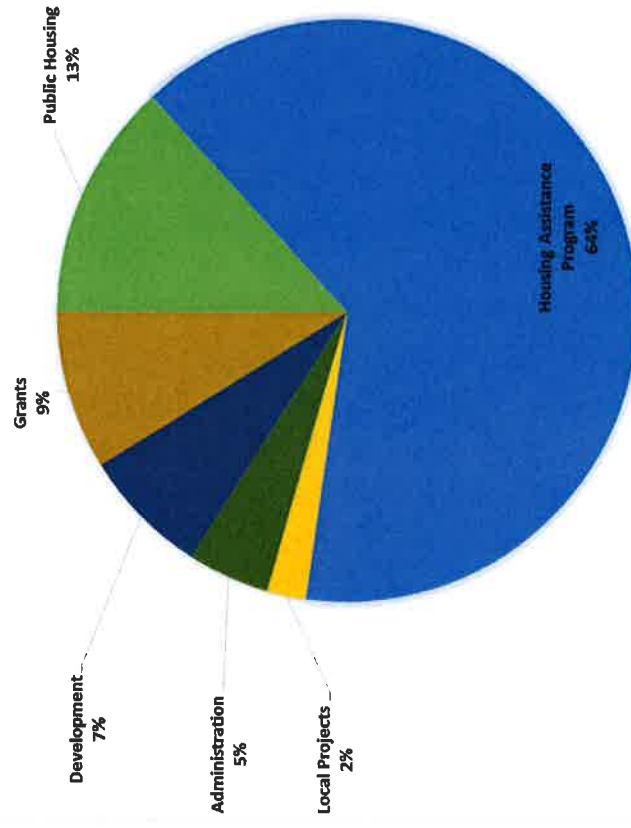
- The Housing Authority is a Component Unit due to shared board. An IGA outlines the provision of County services to HACCC which currently include:
 - County Counsel
 - Technology Services
 - Human Resources
 - Payroll
 - Courier/Mailroom
 - Records Management

Housing Authority of Clackamas County 2020/21 Revenue and Expenses

SOURCES OF FUNDING



EXPENSES



Housing Authority of Clackamas County

Funds by Source

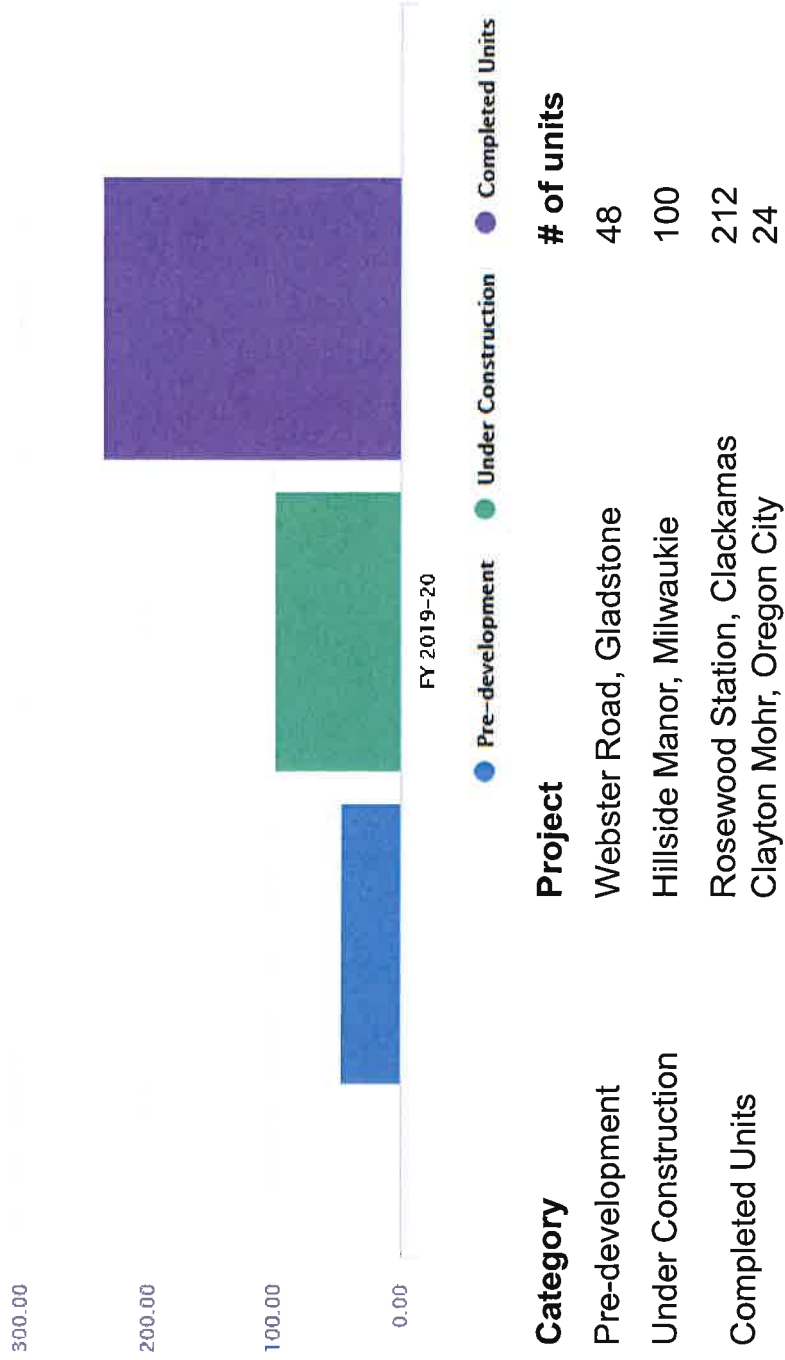
Funds by Source

	Public Housing	Housing Vouchers	Development	Grants	Central Office	Local Projects	Total
Tenant Rent *	\$ 1,416,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,416,600
Tenant Rent	-	-	-	-	-	566,873	566,873
Federal Funds *	1,893,561	17,148,082	-	-	520,209	-	19,561,852
Clackamas County	-	-	150,000	-	-	90,960	240,960
Grants *	270,000	129,468	-	1,943,118	-	-	2,342,586
Line of Credit	-	-	750,000	-	-	-	750,000
Metro Admin Fee	-	-	489,213	-	-	-	489,213
Other	110,000	29,370	1,050,000	-	-	81,613	1,270,983
	\$ 3,690,161	\$ 17,306,920	\$ 2,439,213	\$ 2,387,118	\$ 520,209	\$ 739,446	\$ 27,083,067

* Restricted Federal Funds

Housing Authority of Clackamas County Performance Measures

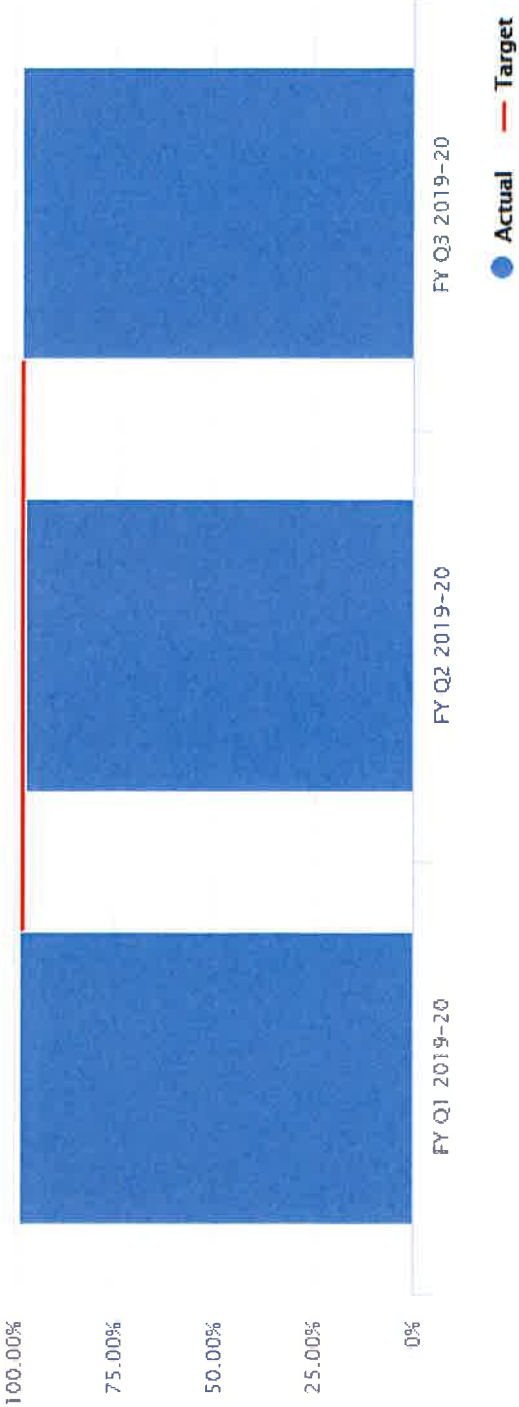
HACC Only -
Number of
affordable housing
units (preserved or
new development)



Housing Authority of Clackamas County Performance Measures (cont'd)

Measure:

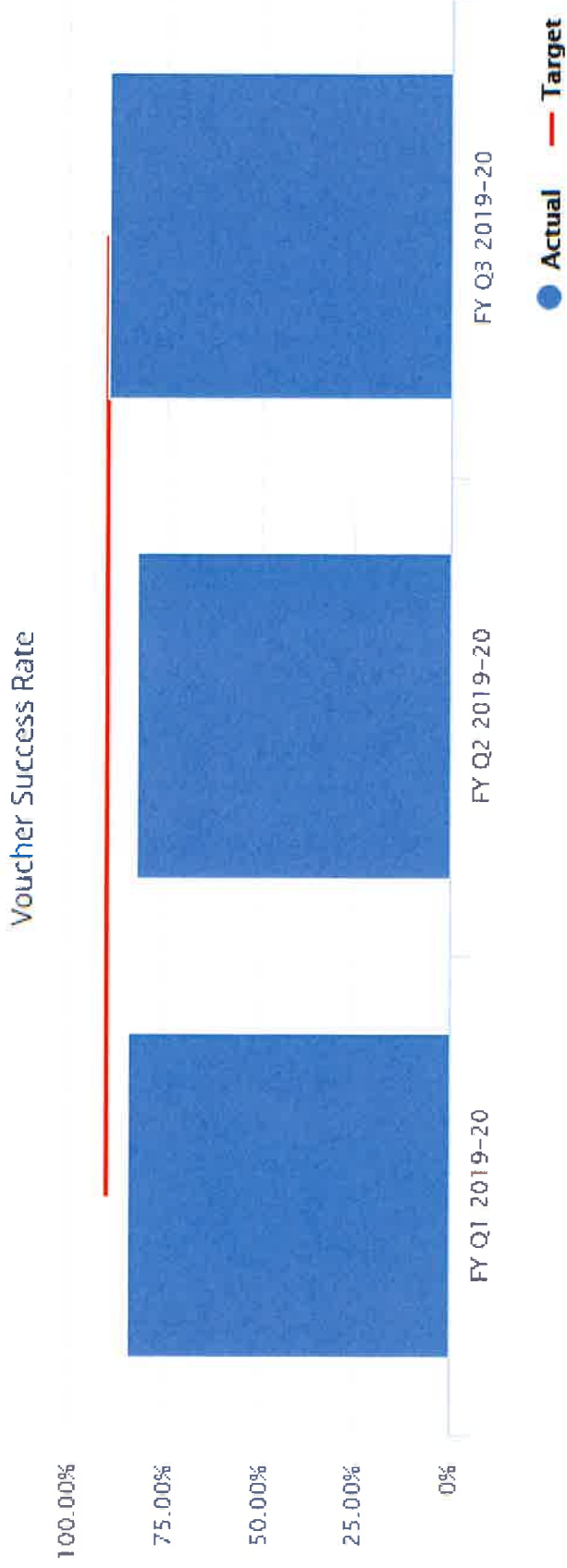
Maintain 98% occupancy rate in Public Housing properties



Housing Authority of Clackamas County Performance Measures (cont'd)

Measure:

90% of Section 8 voucher recipients are successful in finding housing and using their voucher (include movers)



Housing Authority - COVID-19 Response

Covid-19 Administrative Funding Received	<p>\$580,000 (Public Housing operating subsidy and Voucher Admin.)</p> <p>Eligible Uses include: PPE, cleaning supplies, overtime, technology upgrades, security, costs of protecting residents, and other costs relating to preparing/preventing/responding to COVID-19</p>
Covid-19 Funding expected	<p>Housing Assistance Payments and Public Housing Operations</p> <p>We have been informed we will receive additional funding to cover the 15% increase in rent subsidies that have occurred due to job loss.</p>
HUD Waivers	<ul style="list-style-type: none"> • HACC is implementing the majority of HUD authorized waivers to ensure landlord payments continue. • Waiver request process eliminated during the health crisis.
Ongoing Operations	<ul style="list-style-type: none"> • Majority of work done remotely • Interior occupied unit Maintenance on an emergency basis only. • Monthly food distribution and delivery at the Public Housing properties • Vulnerable/high risk resident check-ins happening at residents elected frequency (every other day, once a week, bi-weekly).

Housing Authority of Clackamas County

FY 2019/2020 Major Accomplishments

Rent Assistance

- 70 New Mainstream Vouchers with 46 housed already and rest to be housed within 12 months
- 17 New Foster Youth to Independence Vouchers with 4 housed so far.
- Metro 300 partnership with Kaiser/Health Share -16 vouchers issued, 80 to be housed by April 2021
- Partnerships with 13 service providers including nonprofits and healthcare enabling us to prioritize hardest to serve populations.
- Served over 100 families with security deposit loans with no defaults.
- Transitioning 100 units of Public Housing (Hillside Manor) to Project Based Vouchers (in process)

Housing Authority of Clackamas County

FY 2019/2020 Major Accomplishments

Development

- OHCS awarded Permanent Supportive Housing funds for Webster Rd. These funds will ensure that dedicated service and capital dollars will be aligned with 25% of the units at Gladstone.
- Closed the construction financing of Hillside Manor and started construction.
- Acquiring Clayton Mohr Commons from Northwest Housing Alternatives in mid-June of this year.

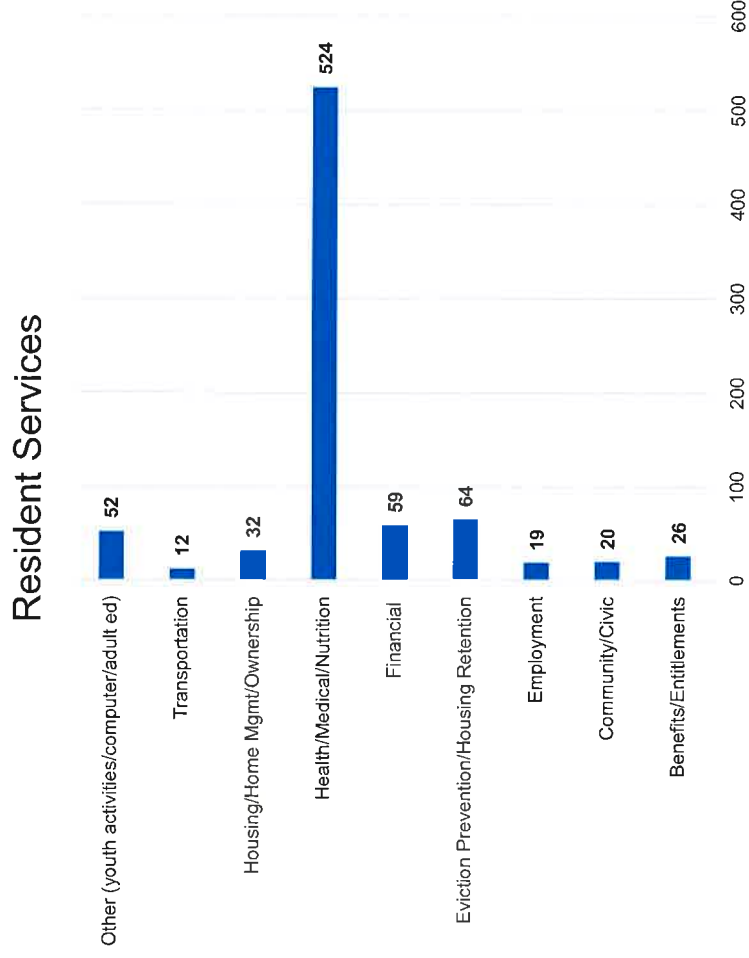
Public Housing

- Implemented a new Homeless Preference and housed 6 families coming directly out of homelessness with services provided by Clackamas County Social Services.
- HUD designated High Performer agency

Housing Authority of Clackamas County FY 2019/2020 Major Accomplishments

Resident Services

- Grew team from staff of 1 to team of 7, including Peer services, SSD case manager and Americorps
- Connected 238 residents to 769 services (see chart)
- During COVID-19: staff made 524 vulnerable resident calls
- During COVID-19: staff distributed and delivered 322 food boxes



Housing Authority of Clackamas County

FY 2019/2020 Biggest Challenges

Full Utilization of VASH Vouchers

- We currently have 22 VASH vouchers that are not utilized.
- We are dependent upon the VA Medical Center to make referrals and provide case management to serve a homeless veteran with this resource.
- We have missed two opportunities to apply for additional VASH vouchers due to our current underutilization.

COVID – 19

- Providing resident services and respite opportunities to Hillside manor residents during construction will continue to be a challenge.
- We will need to be creative and identify opportunities for vulnerable folks to get out of their homes safely over the coming months.

