

# 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 19, 2012  
**Approximate Start Time:** 1:30 p.m.  
**Approximate Length:** 1 Hour

**Presentation Title:** HACC FY2012-13 Budget

**Department:** Housing Authority

**Presenters:** Cindy Becker, Trell Anderson

**Other Invitees:** Rich Cronk, HACC Finance Manager

### WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

We are seeking review and approval of the Housing Authority 2012-13 annual budget, and approval to submit to the U.S. Department of Housing and Urban Development.

### EXECUTIVE SUMMARY (why and why now):

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 ninety-seven percent (98%) 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 the HACC bylaws, the five elected County Commissioner and one housing program participant constitute the HACC Board of Commissioners (6 members). Review and approval of the HACC budget by the HACC Board of Commissioners is required by HUD.

### FINANCIAL IMPLICATIONS (current year and ongoing):

The proposed budget is for fiscal year 2012-13 (July 1, 2012 – June 30, 2013). HACC will use an estimated \$322,600 of public housing reserves to cover the public housing reserve recapture deficit. In addition, HACC will rely on an estimated \$216,400 of Local Project fund reserves to balance the remaining deficit at year-end.

Please see attached detailed material.

Last updated: January 2012

**LEGAL/POLICY REQUIREMENTS:**

N/A

**PUBLIC/GOVERNMENTAL PARTICIPATION:**

N/A

**OPTIONS:**

- A. Review and approve the budget as proposed.
- B. Review the proposed budget, direct changes to the budget, and then approve the budget.

**RECOMMENDATION:**

We recommend that the HACC Board of Commissions review the proposed budget and formally approve it at a June 28, 2012 Special HACC Board meeting as a consent agenda item.

**ATTACHMENTS:**

HACC has included information in the County format as well as the HUD required format.

- Budget Narrative
- Functional Chart
- Organizational Chart
- County Strategic Plan Goals
- 5% Reduction Scenario
- Revenue Assumptions
- Fund Balance and Contingency
- Budget by Funding Mix
- HUD Formatted Budget by Program Area

**SUBMITTED BY:**

Division Director/Head Approval \_\_\_\_\_  
Department Director/Head Approval \_\_\_\_\_  
County Administrator Approval \_\_\_\_\_

For information on this issue or copies of attachments, please contact \_\_\_\_\_ @ 503- \_\_\_\_\_



**Description of Fund**

The Housing Authority of Clackamas County (HACC) provides affordable and safe housing to low income residents by owning and managing a portfolio of 900 units, and by administering the Housing Choice Voucher program (1,600 vouchers). Many clients are elderly or disabled, or are heads-of-households who are single women with children that have been the victim of domestic violence.

There are six (6) budget activities: Low Rent Public Housing (operation of 545 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-eight (98%) of revenues are Federal funds allocated by Congress and distributed 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. Overall this funding totals \$17,179,639, however these funds are trending downward as Congress works for reduce federal spending and balance the federal budget.

In addition, non-federal earned revenue includes the Local Projects housing portfolio (\$379,009), and Housing Development funding in the form of developer and management fees (\$400,000). These funds total \$779,009.

**Expenditure Summary**

Because of federal fund reductions and reserve "sweeps" by HUD, the HACC total budget shows \$539,101 in expenditures over revenue. Of that \$322,629 is a reduction in Public Housing Operating Subsidy. HUD is mandating that we spend down the public housing reserve before any new revenues are provided. Expenditures also exceed revenues for Voucher program administration (\$89,411), Central Office (\$210,898), and Housing Development (\$85,372).

To make up the difference, \$216,472 of the \$2,311,409 in Local Project funding reserve will be drawn upon. In addition \$169,209 of excess cash from Local Projects funding will be used to subsidize Voucher Administration, the Central Office, and Housing Development. The agency budget will be balanced using this additional fund reserve and cash balance.

HACC is working diligently to identify options and opportunities to reduce program delivery costs and streamline operations in program areas where expenditures exceed revenue. The HACC Annual Plan identifies several of these initiatives.

**Significant Issues & Changes**

HUD funding reductions dramatically impact HACCs budget. For example, the Voucher Administration Fee has been reduced by approximately 7% over the past two years, and the Capital Fund for public housing physical repairs has been reduced by 29%. Congress and HUD have mandated that HACC spend down its public housing operating reserves of \$322,629 before any new revenue will be allocated. (This is a two-year initiative and we expect the same for 2013-14.) HACC expects any day to hear of another mandate to spend down Housing Assistance Payment reserves before new funding will be provided.

While revenues are decreasing, expenditures of County indirect/allocations have increased by 77% from 2009.

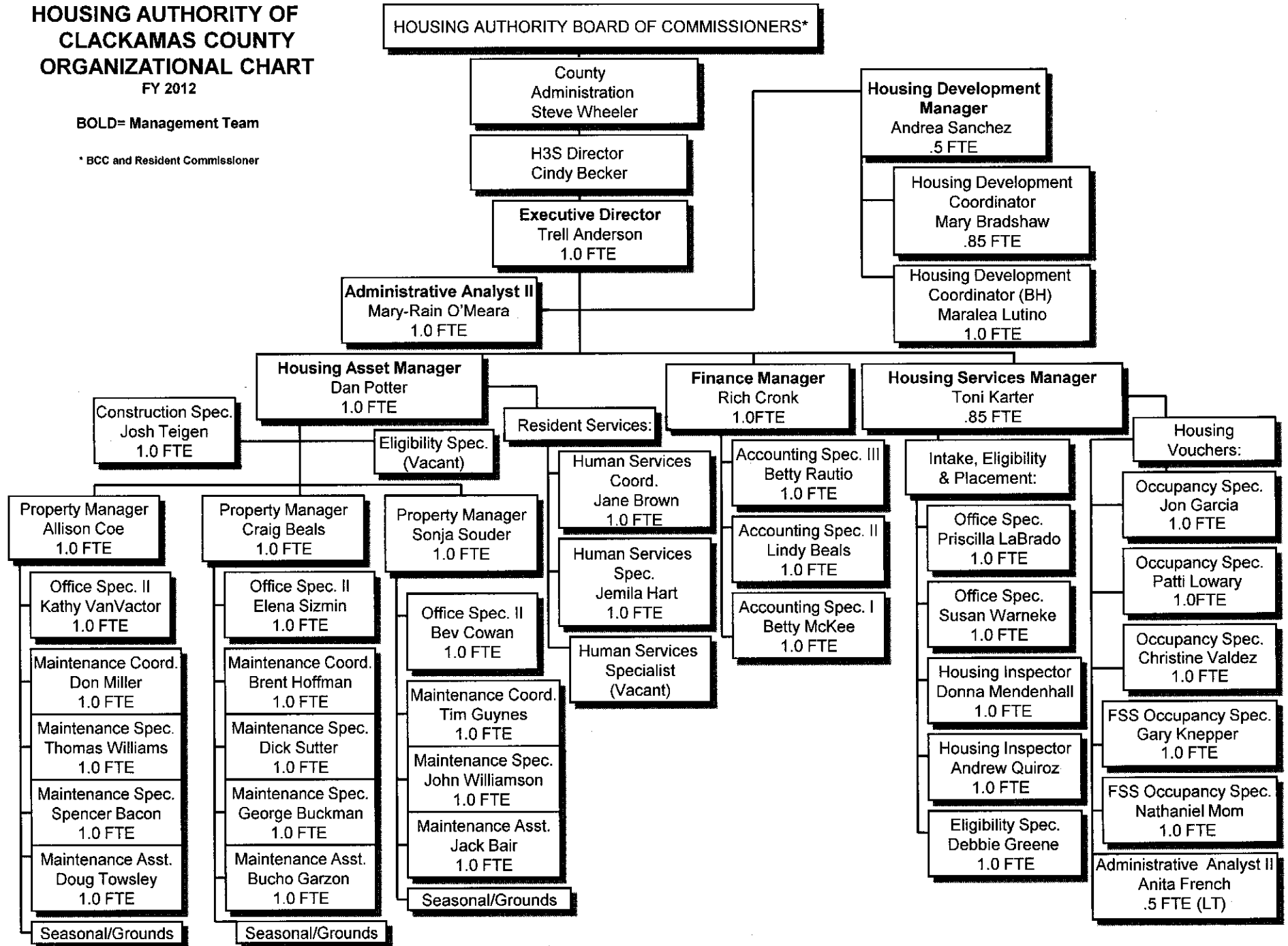
This fiscal year is the first where Housing Development earns revenue in the form of "developer and/or management fees" estimated at \$400,000. Refinancing and rehabilitation of Easton Ridge are the first in what we expect to be several projects that will increase Housing Development revenues as well as expenditures.

**HOUSING AUTHORITY OF  
CLACKAMAS COUNTY  
ORGANIZATIONAL CHART**

FY 2012

**BOLD>= Management Team**

\* BCC and Resident Commissioner



**Housing Authority of  
Clackamas County  
FY 2012**

Housing Authority Board of County Commissioners\*

\* BCC and Resident Commissioner

COUNTY  
ADMINISTRATOR

H3S

RESIDENT ADVISORY  
BOARD

HOUSING AUTHORITY

Asset Management

Finance and  
Administration

Housing Choice  
Vouchers

Housing  
Development

Public Housing Program

Local and Affordable  
Housing  
Program

Section 8  
Program

Specialty Voucher  
Programs

Resident  
Services  
Program

Affordable  
Housing  
Units

Special Needs  
Housing  
Units

Family Self Sufficiency  
(FSS)  
Program

**Department: Housing Authority**

<b>Strategic Plan</b>	<b>Actual 09-10</b>	<b>Actual 10-11</b>	<b>Estimated 11-12</b>	<b>Projected 12-13</b>
Keeping our residents safe, healthy and secure				
Creating a network of vibrant communities				
Providing financial stability and leadership				
The strategic plan hierarchy is as follows:				
Area of Focus				
Keeping our residents safe, healthy and secure				
Creating a network of vibrant communities				
Department Goal				
Provide safe, decent affordable housing to low income residents				
Activity or Activities to further that Goal				
Own and manage a portfolio fo Public Housing units				
Provide rent assistance through Housing Choice Voucher program				
(Re) Develop new or refinance and rehabilitate housing project per year				
Performance Measures for the Activity				
Maintain 98% occupancy of Public Housing	98%	98%	98%	98%
Maintain 98% utilization rate of rent assisance funds	98%	98%	98%	98%
Complete one project per year (new this year)	n/a	n/a	n/a	1 - Easton Ridge

Department: Housing Authority

Fund: Local Projects

Org: Local Projects

5% Reduction in General Fund Support =  $(\$90,960 \times .05)$

**\$4,548**

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*Detail the changes department would make if required to reduce General Fund support by 5%.*

*List in priority order beginning with first actions to be taken and continue until full reduction is achieved.*

Reduce "Other Admin Expenses" and "Staff training/travel" in Local Projects

\$4,548

Total Reduction

\$4,548



Department: Housing Authority

Fund: Housing Authority

Org: Housing Authority

Revenue Assumptions	Est. Yr End FY 11-12	1 Year FY 12-13	5 Years FY 16-17
<i>Using your best current information, estimate current year, 1 year and 5 year funding levels for major programs and revenue sources. Only significant revenue streams should be itemized. Aggregate all smaller revenues in one line (see below). Assume General Fund support for FY12-13 will continue at FY11-12 level. Revenue assumptions for FY11-12 and FY12-13 form the basis for (and must agree with) Brass entry totals.</i>			
Public Housing:			
Rents	\$ 1,358,861	\$ 1,358,861	\$ 1,540,665
Operating Subsidy (HUD)	\$ 1,607,098	\$ 1,607,098	\$ 2,128,179
Other	\$ 219,834	\$ 219,833	\$ 260,942
Public Housing Total	\$ 3,185,793	\$ 3,185,792	\$ 3,929,786
Housing Choice Voucher:			
Admin Fee (HUD)	\$ 1,031,929	\$ 1,108,355	\$ 1,136,880
Housing Assistance Payment (HUD)	\$ 10,861,431	\$ 10,861,439	\$ 12,098,995
Other	\$ 65,146	\$ 65,146	\$ 73,322
HCV Total	\$ 11,958,514	\$ 12,034,940	\$ 13,309,197
Local Project:			
Rents	\$ 272,120	\$ 272,120	\$ 310,430
County General Fund	\$ 90,960	\$ 90,960	\$ 90,960
Other	\$ 15,929	\$ 15,929	\$ 12,608
Local Project Total	\$ 379,009	\$ 379,009	\$ 413,998
Central Office			
Management Fees	\$ 405,301	\$ 405,301	\$ 406,517
Grant Revenue	\$ 89,000	\$ 89,000	\$ 101,476
Other	\$ 500	\$ 500	\$ 1,814
Central Office Total	\$ 494,801	\$ 494,801	\$ 509,807

Housing Development:

Developer/Managememtn Fees	\$	-	\$	400,000	\$	800,000
Development Total	\$	-	\$	400,000	\$	800,000
All other revenues combined (grants)	\$	1,485,096	\$	1,085,097	\$	1,085,096
Total	\$	17,503,213	\$	17,579,639	\$	20,047,884

Housing Authority Proposed Budget by Funding Mix

Program Offer	Funding Source (s)										Totals
	Federal Operating Subsidy	Federal PH Grant	Federal Landlord Housing Subsidy	Operating Reserves	Other Grants	Rents and Property Revenue	Management Fees	County Contribution	Interest and Other	Development Fees	
Public Housing											
Property Management & Maintenance	1,607,098	178,000		322,629		1,380,638			20,056		3,508,421
Resident Services					110,374						110,374
Capital Improvements		974,723									974,723
Housing Choice Voucher											
Administration	1,108,355			89,411					65,146		1,262,912
Housing Assistance Payments			10,861,439								10,861,439
Central Office											
Administration		89,000		41,689			405,301		500		536,490
Local Project											
Asset and Property Management						268,778	4,567	90,960	14,704		379,009
Development											
Administration				85,372						121,295	206,667
Pre-Development Contracts										278,705	278,705
<b>Totals</b>	<b>2,715,453</b>	<b>1,241,723</b>	<b>10,861,439</b>	<b>539,101</b>	<b>110,374</b>	<b>1,649,416</b>	<b>409,868</b>	<b>90,960</b>	<b>100,406</b>	<b>400,000</b>	<b>18,118,740</b>

**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.12/31/2012)

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 Authority of Clackamas County PHA Code: OR001

PHA Fiscal Year Beginning: July 1 2012 Board Resolution Number: 1891

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):

- |  | <u>DATE</u>       |
|--|-------------------|
| <input checked="" type="checkbox"/> Operating Budget for all projects approved by Board resolution on: | <u>06/28/2012</u> |
| <input type="checkbox"/> Operating Budget submitted to HUD, if applicable, on:                         | _____             |
| <input type="checkbox"/> Operating Budget revision approved by Board resolution on:                    | _____             |
| <input type="checkbox"/> 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: <b>Charlotte Lehan</b>	Signature: _____	Date: <u>06/28/2012</u>
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Housing Authority of Clackamas County  
Agency Wide  
Budget FY 2012/2013

	LRPH	Vouchers	Local Projects	Central Office	Development	Grants	Total
<b>INCOME:</b>							
Dwelling rent	1,358,861		272,120				1,630,981
Vacancy loss (3%)	(40,766)		(6,878)				(47,644)
Other tenant income	62,543		3,536				66,079
Operating subsidy	1,607,098	1,108,355				87,381	2,802,834
Housing assistance payments		10,861,439					10,861,439
Mgmt fees/Developer fees			4,567	405,301	400,000		809,868
Interest income	6,827	0	14,704	500	0		22,031
County contribution			90,960				90,960
Building rental income	13,229						13,229
Grant revenue	178,000			89,000	0	974,723	1,241,723
Other/Inkind	0	65,146	0	0	0	22,993	88,139
<b>TOTAL REVENUE</b>	<b>3,185,792</b>	<b>12,034,940</b>	<b>379,009</b>	<b>494,801</b>	<b>400,000</b>	<b>1,085,097</b>	<b>17,579,639</b>
<b>ADMINISTRATIVE EXPENSE:</b>							
Salaries	401,922	521,671	47,514	315,545	109,567	40,430	1,436,649
Employee benefits	237,684	309,901	23,679	171,260	58,002	22,900	823,426
Legal fees	2,208	5,112	265	8,547	869		17,001
Staff training/travel	17,259	10,525	545	4,882	1,789		35,000
Auditing fees	19,569	16,630	654	3,000	2,147		42,000
Other administrative expenses	126,236	197,556	4,557	161,883	30,768		521,000
Consultant fees					278,705		278,705
Management fee expense	405,301	0	0	0	0	0	405,301
<b>TOTAL ADMINISTRATIVE</b>	<b>1,210,179</b>	<b>1,061,395</b>	<b>77,214</b>	<b>665,117</b>	<b>481,847</b>	<b>63,330</b>	<b>3,559,082</b>
<b>TENANT SERVICES:</b>							
Salaries	29,326	68,199				74,492	172,017
Benefits	19,969	34,447				48,930	103,346
Other	18,500	0	0	0	0	36,533	55,033
<b>TOTAL TENANT SERVICES</b>	<b>67,795</b>	<b>102,646</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>159,955</b>	<b>330,396</b>
<b>UTILITIES:</b>							
Water	140,626		2,159			1,697	144,482
Sewer	269,105		3,602			803	273,510
Electricity	104,271		1,130	6,779	0	1,720	113,900
Gas	40,414	0	785	2,072	0	0	43,271
<b>TOTAL UTILITIES</b>	<b>554,416</b>	<b>0</b>	<b>7,676</b>	<b>8,851</b>	<b>0</b>	<b>4,220</b>	<b>575,163</b>
<b>MAINTENANCE:</b>							
Labor	551,740		15,541	7,835		1,000	576,116
Benefits	364,690		12,784	4,076		500	382,050
Materials	135,190		9,307	0		441	144,938
Garbage contracts	181,720		0	0		0	181,720
Other contracts	180,815	0	31,676	7,030	0	12,528	232,049
<b>TOTAL MAINTENANCE</b>	<b>1,414,155</b>	<b>0</b>	<b>69,308</b>	<b>18,941</b>	<b>0</b>	<b>14,469</b>	<b>1,516,873</b>
<b>GENERAL EXPENSES:</b>							
Insurance	85,155	9,838	6,984	3,445	100	0	105,522
PILOT	80,320						80,320

Housing Authority of Clackamas County  
Agency Wide  
Budget FY 2012/2013

	LRPH	Vouchers	Local Projects	Central Office	Development	Grants	Total
Other/Extraord. Maint.	63,362	68,885	4,391			73,685	210,323
OPEB Accrual	<u>33,039</u>	<u>20,148</u>	<u>1,043</u>	<u>9,345</u>	<u>3,425</u>	0	<u>67,000</u>
<b>TOTAL GENERAL EXPENSES</b>	<u>261,876</u>	<u>98,871</u>	<u>12,418</u>	<u>12,790</u>	<u>3,525</u>	<u>73,685</u>	<u>463,165</u>
<b>OTHER EXPENSES:</b>							
HAP		10,861,439				246,075	11,107,514
Mortgage Payments			43,184			0	43,184
Capital Expenditures	0	0	0	0	0	<u>523,363</u>	<u>523,363</u>
<b>TOTAL OTHER EXPENSES</b>	0	<u>10,861,439</u>	<u>43,184</u>	0	0	<u>769,438</u>	<u>11,674,061</u>
<b>TOTAL EXPENSES</b>	<u>3,508,421</u>	<u>12,124,351</u>	<u>209,800</u>	<u>705,699</u>	<u>485,372</u>	<u>1,085,097</u>	<u>18,118,740</u>
<b>OPERATING SURPLUS(DEFICIT)</b>	<u>(322,629)</u>	<u>(89,411)</u>	<u>169,209</u>	<u>(210,898)</u>	<u>(85,372)</u>	0	<u>(539,101)</u>
Unrestricted Reserves at 06/30/2011	2,203,359	0	2,311,409	73,725	0	0	4,588,493
FTE's at 3/31/2012	17.5	11.5	1.0	7.0	1.5	1.5	40.0

Housing Authority of Clackamas County  
Public Housing by Project  
Budget FY 2012/2013

	Clack Hghts	OCVM	Scattrd Sites	Hillsd Park	Hillsd Manor	Total
<b>INCOME:</b>						
Dwelling rent	201,085	185,270	430,883	237,173	304,449	1,358,860
Vacancy loss (3%)	(6,033)	(5,558)	(12,926)	(7,115)	(9,133)	(40,765)
Other tenant income	14,116	13,623	23,285	5,718	5,802	62,544
Operating subsidy	330,624	329,603	484,689	241,717	220,464	1,607,097
Interest income	787	612	3,868	668	892	6,827
Building rental income					13,229	13,229
Capital fund transfer	<u>31,328</u>	<u>31,328</u>	<u>52,688</u>	<u>31,328</u>	<u>31,328</u>	<u>178,000</u>
<b>TOTAL REVENUE</b>	<u>571,907</u>	<u>554,878</u>	<u>982,487</u>	<u>509,489</u>	<u>567,031</u>	<u>3,185,792</u>
<b>ADMINISTRATIVE EXPENSE:</b>						
Salaries	68,646	68,646	126,106	69,262	69,262	401,922
Employee benefits	45,029	45,029	73,105	37,260	37,260	237,683
Legal fees	389	389	653	389	389	2,209
Staff training/travel	3,044	3,044	5,888	2,658	2,626	17,260
Auditing fees	3,444	3,444	5,792	3,444	3,444	19,568
Other administrative expenses	21,784	21,784	39,099	21,784	21,784	126,235
Management fees	<u>72,386</u>	<u>72,386</u>	<u>115,758</u>	<u>72,386</u>	<u>72,386</u>	<u>405,302</u>
<b>TOTAL ADMINISTRATIVE</b>	<u>214,722</u>	<u>214,722</u>	<u>366,401</u>	<u>207,183</u>	<u>207,151</u>	<u>1,210,179</u>
<b>TENANT SERVICES:</b>						
Salaries	5,173	5,173	8,633	5,173	5,173	29,325
Benefits	3,523	3,523	5,879	3,523	3,523	19,971
Other	<u>4,000</u>	<u>4,000</u>	<u>2,500</u>	<u>4,000</u>	<u>4,000</u>	<u>18,500</u>
<b>TOTAL TENANT SERVICES</b>	<u>12,696</u>	<u>12,696</u>	<u>17,012</u>	<u>12,696</u>	<u>12,696</u>	<u>67,796</u>
<b>UTILITIES:</b>						
Water	31,393	32,048	49,713	18,217	9,255	140,626
Sewer	51,358	51,759	82,530	45,520	37,938	269,105
Electricity	13,914	8,251	4,398	5,763	71,945	104,271
Gas	<u>1,439</u>	<u>1,088</u>	<u>4,493</u>	<u>1,486</u>	<u>31,908</u>	<u>40,414</u>
<b>TOTAL UTILITIES</b>	<u>98,104</u>	<u>93,146</u>	<u>141,134</u>	<u>70,986</u>	<u>151,046</u>	<u>554,416</u>
<b>MAINTENANCE:</b>						
Labor	93,670	101,504	189,974	85,255	81,337	551,740
Benefits	64,082	68,158	138,378	48,003	46,069	364,690
Materials	23,253	20,414	58,537	17,980	15,006	135,190
Garbage contracts	37,059	31,114	72,390	31,599	9,558	181,720
Other contracts	<u>21,698</u>	<u>17,539</u>	<u>58,945</u>	<u>32,908</u>	<u>49,725</u>	<u>180,815</u>
<b>TOTAL MAINTENANCE</b>	<u>239,762</u>	<u>238,729</u>	<u>518,224</u>	<u>215,745</u>	<u>201,695</u>	<u>1,414,155</u>
<b>GENERAL EXPENSES:</b>						
Insurance	14,401	14,043	29,554	11,585	15,573	85,156
PILOT	9,808	9,655	30,952	16,186	13,719	80,320
Extraordinary Maintenance	0	0	0	0	0	0
Collection loss/other	11,677	11,230	13,162	12,696	14,595	63,360

Housing Authority of Clackamas County  
Public Housing by Project  
Budget FY 2012/2013

	<u>Clack Hghts</u>	<u>OCVM</u>	<u>Scattrd Sites</u>	<u>Hillsd Park</u>	<u>Hillsd Manor</u>	<u>Total</u>
OPEB accrual	<u>5,826</u>	<u>5,826</u>	<u>11,272</u>	<u>5,088</u>	<u>5,027</u>	<u>33,039</u>
TOTAL GENERAL EXPENSES	<u>41,712</u>	<u>40,754</u>	<u>84,940</u>	<u>45,555</u>	<u>48,914</u>	<u>261,875</u>
TOTAL EXPENSES	<u>606,996</u>	<u>600,047</u>	<u>1,127,711</u>	<u>552,165</u>	<u>621,502</u>	<u>3,508,421</u>
OPERATING SURPLUS(DEFICIT)	<u>(35,089)</u>	<u>(45,169)</u>	<u>(145,224)</u>	<u>(42,676)</u>	<u>(54,471)</u>	<u>(322,629)</u>