

June 22, 2021

Board of County Commissioners
Clackamas County

Members of the Board:

Resolution Adopting the Housing Authority of Clackamas County FY 2021-2022 Budget for the period of July 1, 2021 through June 30, 2022

Purpose/Outcomes	Budget Adoption for the Housing Authority of Clackamas County FY 2021-2022
Dollar Amount and Fiscal Impact	The effect to adopt a budget of \$74,704,477.
Funding Source	HUD, Metro Bond, Metro Measure, County General Funds - Policy Level Proposal
Duration	July 1, 2021 – June 30, 2022
Previous Board Action	Housing Authority of Clackamas County Board Budget Hearing May 24, 2021.
Strategic Plan Alignment	1. Ensure safe, healthy and secure communities. 2. Build trust through good government
Counsel Review	
Contact Person	Jill Smith 503-742-5336
Contract No.	N/A

BACKGROUND:

The Housing Authority of Clackamas County (the Authority) is a municipal corporation established under Oregon Revised Statutes Chapter (ORS) 456 to provide low cost housing to individuals meeting criteria established by the U.S. Department of Housing and Urban Development (HUD). The Authority, under the criteria of the Government Accounting Standards Board (GASB), is considered a component unit of Clackamas County, Oregon (the County) because the Board of County Commissioners also governs the Authority. This relationship allows the County to impose its will on the Authority. The County reports the Authority as a blended component unit since the County's H3S Department management has operational responsibility for the Authority.

The Authority is exempt from Oregon Local Budget Law per ORS 294.316 and does not have an annual appropriated budget. Budgets for each HUD grant and line of business within the Authority's operations is used to meet financial management and control objectives. The Authority utilizes these budgets as operations tools but is not required to and does not adopt a legally appropriated budget as defined by GASB.

The Housing Authority provides and develops affordable and safe housing for our low-income neighbors in Clackamas County by administering HUD funded programs that include owning and managing a portfolio of Public Housing and additional affordable housing totaling approximately 1,100 units. The agency also administers the HUD funded Housing Choice Voucher program of over 2,000 vouchers and will administer locally funded rent assistance and service contracts through the Supportive Housing Services fund. The majority of the people we

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serve are extremely low income disabled and elderly, many of them were previously homeless. As the housing crisis grows, more of the people we serve are transitioning out of homelessness and have complex behavioral and physical health needs requiring housing aligned with appropriate services to ensure they remain housed and supported.

Revenue Summary

Total budgeted revenue for HACC is \$74,705,477 including Federal, Metro and local funds. Funds from the Metro Bond and Metro Supportive Housing Measure (10 mil placeholder amount) account for \$44,233,000 of budgeted revenue.

Approximately thirty percent (35%) of HACC's revenues are Federal funds through allocations 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;
- Grants for Family Self-Sufficiency and Resident Services.

Expenditure Summary

Total expenditures are estimated to be \$74,705,477. 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

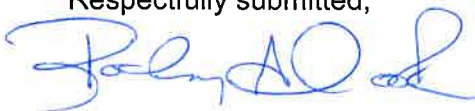
The Metro Supportive Housing Measure will have a dramatic impact on the funding and services that HACC provides the community and will provide new opportunities for housing and supportive services

HUD funding will still have an impact on HACC's budget but to a lesser extent as funding sources and operations diversify.

RECOMMENDATION:

Staff recommends the Board approval of the FY 2021-2022 HACC budget using the ten million dollar placeholder listed in the Supportive Housing Services line item.

Respectfully submitted,



Rodney Cook, Director
Health, Housing and Human Services Department

Attachments:
FY22 Budget Detail as of 6/15/21

Housing Authority of Clackamas County
 All Programs Budget
 Fiscal Year 2021/2022

	Public Housing	Housing Vouchers	Local Projects	Central Office	Development	Supportive Housing	Grants	FY22 Total	FY 2021 6/30/2021 Budget	FY 2020 6/30/2020 Budget	FY 2019 6/30/2019 Budget	\$ Change from Prior Year Budget	% Change from Prior Year Budget
Revenue:													
Dwelling rent	1,357,169		581,175					1,938,344	2,039,290	2,383,065	2,223,249	(100,946)	-4.95%
Vacancy loss	(43,000)		(4,561)					(47,561)	(55,817)	(63,443)	(47,202)	8,256	-14.79%
Other tenant income	109,500	29,370	4,800					143,670	143,670	178,790	160,082	-	0.00%
Operating subsidy	2,085,000	1,518,000		127,186			27,000	3,757,186	3,468,120	3,493,992	3,683,350	289,066	8.33%
Housing assistance payments		18,692,000					514,368	19,206,368	16,169,002	15,192,953	14,404,534	3,037,366	18.79%
Mgmt fees				397,650				397,650	397,650	468,206	455,626	-	0.00%
Interest income	500	-	-	-				500	500	20,550	20,931	-	0.00%
County contribution			-	-	150,000		-	150,000	240,960	240,960	271,971	(90,960)	-37.75%
Grant revenue	295,000	86,468			34,233,000	10,000,000	1,353,859	45,968,327	2,271,161	2,169,168	1,147,105	43,697,166	1924.00%
Other/In-kind	-		6,000	-	3,174,653		10,341	3,190,994	2,408,531	1,302,348	769,293	782,463	32.49%
TOTAL REVENUE	3,804,169	20,325,838	587,414	524,836	37,557,653	10,000,000	1,905,568	74,705,477	27,083,067	25,386,589	23,088,939	47,622,410	175.84%
ADMINISTRATIVE EXPENSE:													
Salaries	423,560	775,919	66,934	660,314	649,931	429,045	21,624	3,027,329	2,402,504	2,132,370	1,918,999	624,825	26.01%
Employee benefits	275,438	494,633	41,312	372,615	381,027	283,338	13,774	1,862,137	1,441,247	1,339,754	1,108,321	420,889	29.20%
Legal fees	15,400	2,200	700	3,600	5,000	-	-	26,900	26,900	33,000	28,817	-	0.00%
Staff training/travel	20,000	7,700	500	10,000	7,000	-	-	45,200	46,200	46,700	35,135	(1,000)	-2.16%
Auditing fees	14,966	12,080	909	6,550	10,535	4,227	-	49,267	47,857	46,274	45,534	1,410	2.95%
Other administrative expenses	189,936	257,427	177,202	179,507	1,173,909	28,986	-	2,006,967	1,921,983	1,579,364	1,313,266	84,984	4.42%
Management fee expense	397,650	-	-	-	-	-	-	397,650	397,650	468,206	455,626	-	0.00%
TOTAL ADMINISTRATIVE	1,336,949	1,549,959	287,557	1,232,586	2,227,403	745,597	35,398	7,415,449	6,284,341	5,645,668	4,905,698	1,131,108	18.00%
TENANT SERVICES:													
Salaries	17,037	54,341					54,909	126,287	128,388	110,820	111,800	(2,101)	-1.64%
Benefits	11,614	44,106					37,432	93,152	75,311	68,673	78,031	17,841	23.69%
Other	12,600	-					27,000	39,600	49,416	50,616	70,227	(9,816)	-19.86%
TOTAL TENANT SERVICES	41,251	98,446	-	-	-	-	119,341	259,039	253,115	230,109	260,058	5,924	2.34%
UTILITIES:													
Water	173,000		11,100					184,100	174,600	204,085	182,554	9,500	5.44%
Sewer	361,300		32,200					393,500	380,700	465,779	428,064	12,800	3.36%
Electricity	28,300		10,700	6,900				45,900	44,300	117,400	106,701	1,600	3.61%
Gas	3,900			3,800				7,700	7,500	26,300	25,991	200	2.67%
TOTAL UTILITIES	566,500	-	54,000	10,700	-	-	-	631,200	607,100	813,564	743,310	24,100	3.97%

Housing Authority of Clackamas County
 All Programs Budget
 Fiscal Year 2021/2022

	Public Housing	Housing Vouchers	Local Projects	Central Office	Development	Supportive Housing	Grants	FY22 Total	FY 2021 6/30/2021 Budget	FY 2020 6/30/2020 Budget	FY 2019 6/30/2019 Budget	\$ Change from Prior Year Budget	% Change from Prior Year Budget
MAINTENANCE:													
Labor	617,893		27,113	-			-	645,005	680,096	686,769	675,797	(35,091)	-5.16%
Benefits	422,078		20,347	-			-	442,425	478,834	477,600	462,281	(36,409)	-7.60%
Materials	171,600		8,700	-			-	180,300	136,800	171,200	149,416	43,500	31.80%
Garbage contracts	167,800		2,100	-			-	169,900	161,800	157,800	160,707	8,100	5.01%
Other contracts	310,100	-	44,900	6,600			-	361,600	255,600	217,644	268,991	106,000	41.47%
												-	
TOTAL MAINTENANCE	1,689,471	-	103,159	6,600	-	-	-	1,799,230	1,713,130	1,711,013	1,717,192	86,100	5.03%
GENERAL EXPENSES:													
Insurance	96,625	8,000	15,100	3,200			-	122,925	116,525	111,140	96,290	6,400	5.49%
Payment in Lieu of Taxes	86,000							86,000	86,000	104,610	71,500	-	0.00%
TOTAL GENERAL EXPENSES	182,625	8,000	15,100	3,200	-	-	-	208,925	202,525	215,750	167,790	6,400	3.16%
OTHER EXPENSES:													
Housing Assistance Payments		18,692,000					514,368	19,206,368	16,613,002	15,192,953	14,404,534	2,593,366	15.61%
Mortgage Payments			13,700				-	13,700	13,700	14,600	51,288	-	0.00%
Grant Expense					34,233,000	9,254,403		43,487,403	-	-	-	43,487,403	
Supp Svcs, in-kind, child care								-	-	189,925	-	-	
Central office							127,186	127,186	122,559	122,559	159,641	4,627	3.78%
Capital Expenditures	-	-	91,330	-	-		1,109,275	1,200,605	1,234,615	1,268,485	574,904	(34,010)	-2.75%
TOTAL OTHER EXPENSES	-	18,692,000	105,030	-	34,233,000	9,254,403	1,750,829	64,035,262	17,983,876	16,788,522	15,190,367	46,051,386	256.07%
TOTAL EXPENSES	3,816,796	20,348,405	564,847	1,253,086	36,460,403	10,000,000	1,905,568	74,349,105	27,044,088	25,404,626	22,984,415	47,305,018	174.92%
OPERATING SURPLUS (DEFICIT)	(12,628)	(22,567)	22,567	(728,250)	1,097,250	(0)	(0)	356,372	38,980	(18,037)	104,524	317,393	814.25%
TRANSFERS													
Easton Ridge								-	500,000	350,000	350,000	(350,000)	-100.00%
Development				728,250	(728,250)			-	-	-	-	-	
Local Projects		22,567	(22,567)					-	-	-	-	-	
OPERATING SURPLUS (DEFICIT) CONTINGENCY AFTER TRANSFERS	(12,628)	0	(0)	0	369,001	(0)	(0)	356,372	538,980	331,963	454,524		
Estimated Change in Fund Balance/Cash													
Public Housing	(12,628)							(12,628)	126,222				
Development					369,001			369,001	388,493				
Local Project Fund		0	(0)	0			(0)	(1)	24,265				
Budgeted Balance	-	-	-	-	-	0	-	0	-	-	-	-	-