

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

Study Session Worksheet

Presentation Date: 6/12/2018 **Approx Start Time:** 2:30 PM **Approx Length:** 30 Minutes

Presentation Title: HACC FY 2018-2019 Budget

Department: H3S/Housing Authority of Clackamas County (HACC)

Presenters: Richard Swift, Chuck Robbins

Other Invitees: Jason Kirkpatrick, Housing Authority Deputy Director - Finance

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

We are seeking review of the Housing Authority 2018-2019 budget with a recommendation to approve it at the HACC Board of Commissioner's June 21st 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 received ninety-five percent (95%) 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 and one housing program participant constitute the HACC Board of Commissioners (6 members). Review and approval of the HACC Public Housing budget by the HACC Board of Commissioners is required by HUD.

This budget reflects anticipated increases in HUD funding of approximately 5% due to an increase in the proration rate, additional VASH vouchers, and increased in operating subsidy for Public Housing.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? YES NO

The proposed budget of \$22,945,188 is for fiscal year 2018-2019 (July 1, 2018-June 30, 2019). The total operating surplus for this year is projected to be \$104,524. Of this surplus, \$153,157 is from Public Housing. Vouchers, Local Projects, Central Office (Administration) and Development show a combined deficit of <\$48,633>. These losses will be offset from local projects and Development Fees.

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 good government
 - 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:

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

RECOMMENDATION:

We recommend that the HACC Board of Commissioner review the proposed budget and formally approve it at the June 21st, 2018 Housing Authority Board of Commissioners meeting as a consent agenda item.

Respectfully submitted,

Richard Swift
Director, Health, Housing, and Human Services

ATTACHMENTS:

- Housing Authority Fund Narrative
- Housing Authority Organizational Chart
- HACC FY 2018/2019 Agency Wide Budget
- HACC FY 2018/2019 Public Housing by Project Budget
- HACC FY Budget Graph
- Draft Resolution 1931
- HUD form 52574

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Chuck Robbins @ 503-650-5666

Description of Fund

The Housing Authority provides affordable and safe housing to low income residents by owning and managing a portfolio of approximately 900 units, and by administering the Housing Choice Voucher program (1,681 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 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-five (95%) 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 \$23,049,712. While this is a 16.7% 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 fees. 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 \$632,489 and Development \$750,000. County estimated contributions of \$90,960 and \$181,011 to the Central Office and Development, respectively, are additional sources of non-federal funds.

Expenditure Summary

Total expenditures are estimated to be \$22,945,188. The total operating surplus for this year is projected to be \$104,524. Of this surplus, \$153,157 is from Public Housing. Vouchers and Central Office (Administration) are budgeted to lose <\$558,622> which is offset by Local Projects and Development which show a combined surplus of \$509,989.

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 between 70% and 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. The Capital Fund for public housing physical repairs has been reduced from past levels.

Development fees for Easton Ridge are expected to be in the range of \$300,000 – \$350,000. After FY18-19, until the Home loan of \$860,000 is paid off in approximately 3 years, there will not be any cash flow available from Easton Ridge.

Low Rent Public Housing (LRPH)

Three Property Managers are responsible for management of 545 units of federally subsidized public housing in five Asset Management Property groupings. Each property manager is responsible for a portfolio of housing ranging from 200 to 213 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 1,681 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 welfare assistance, and make progress toward achieving economic independence and housing 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 \$181,000.

Development

HACC is adding a Development Manager to oversee all of the development activities that involve HACC funding or impact HACC properties. The Development Manager will work with the Development Coordinators 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 Finance Manager 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.

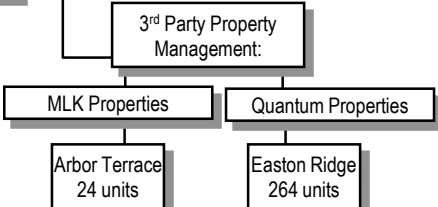
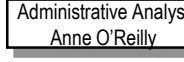
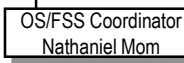
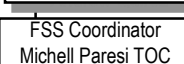
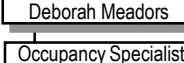
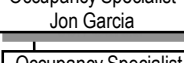
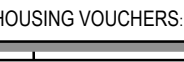
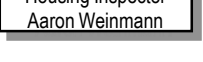
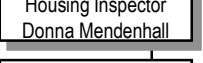
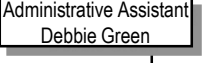
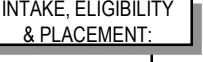
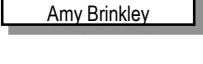
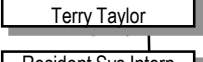
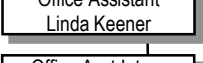
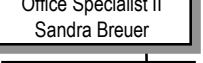
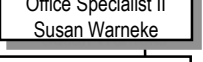
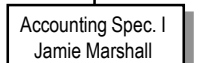
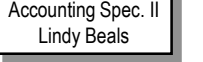
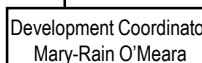
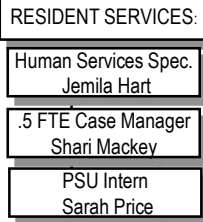
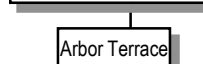
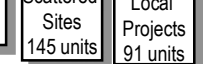
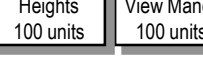
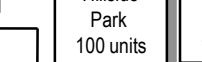
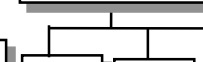
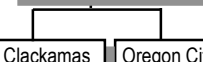
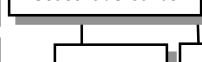
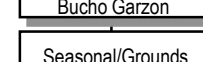
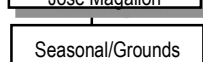
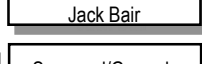
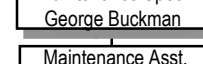
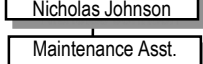
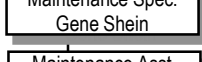
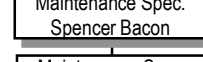
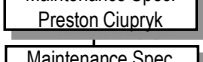
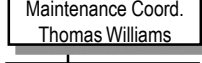
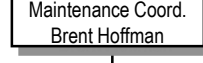
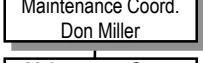
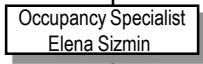
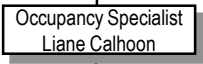
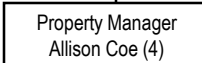
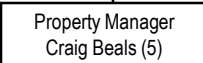
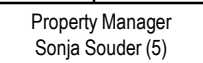
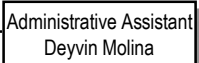
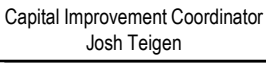
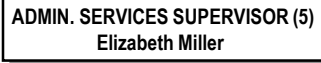
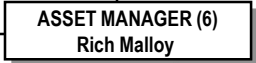
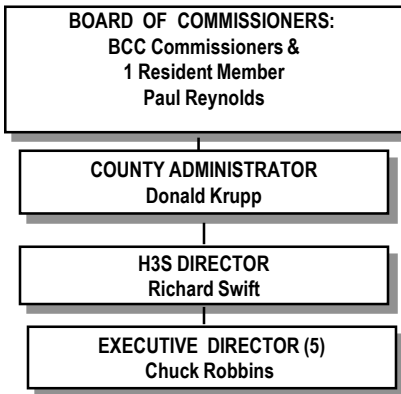
Grants

Grants are focused primarily in two areas. First, HUD provides an annual Low Rent Public Housing Capital Fund grant for the renovation and modernization of public housing. Second, HUD 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

(Updated April 2018)
45 STAFF
4 Interns

Bold = Management Team



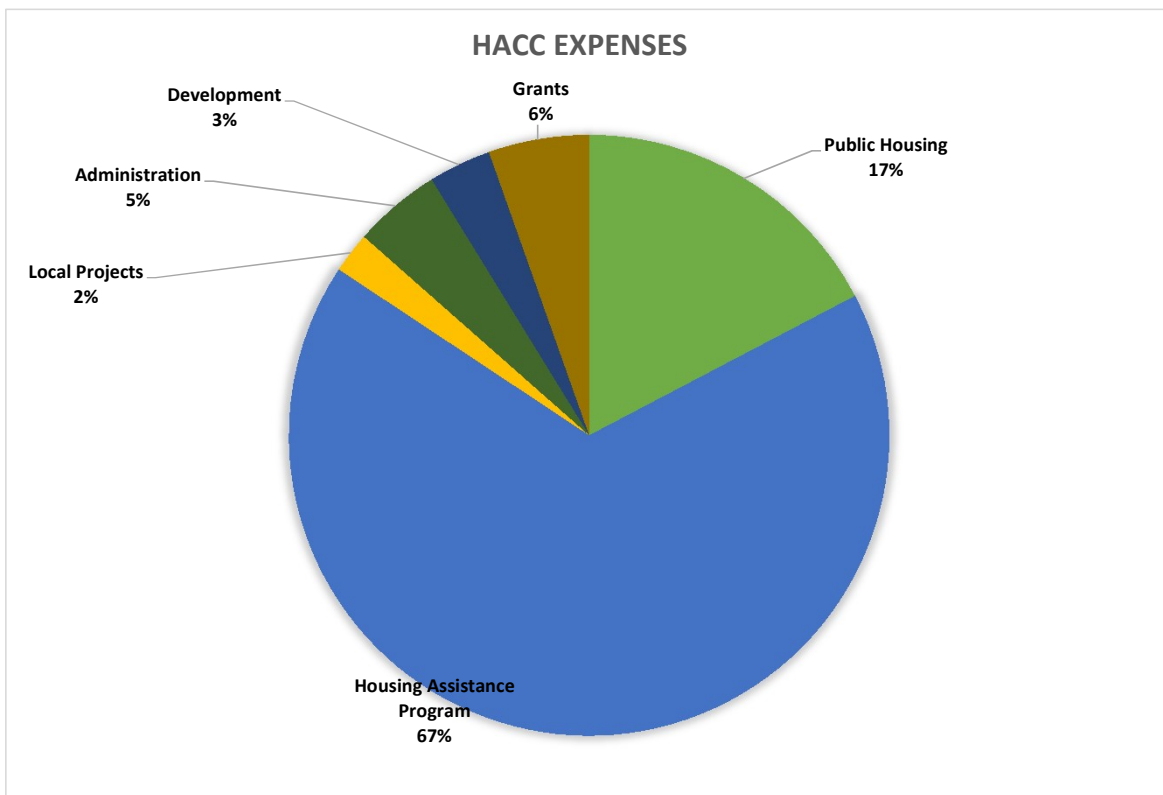
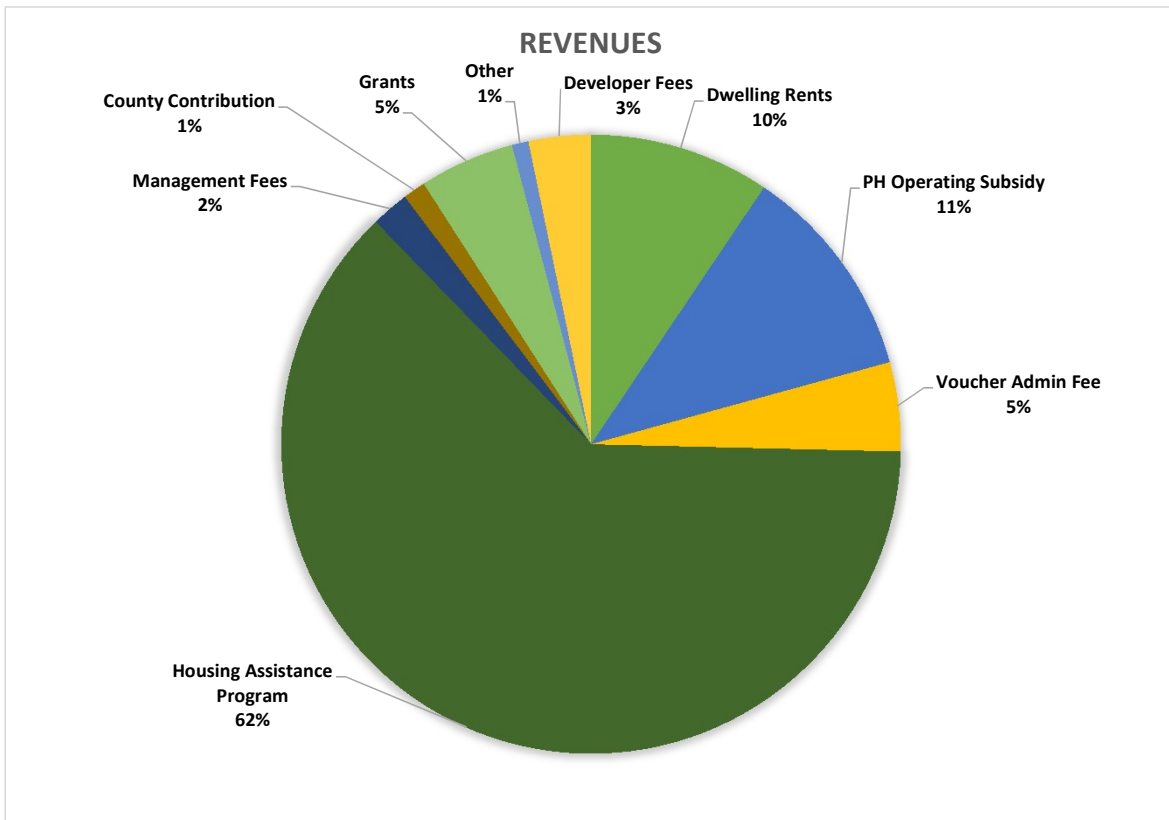
Housing Authority of Clackamas County
All Programs Budget
Fiscal Year 2018/2019

	Low Rent Public Housing	Vouchers	Local Projects	Central Office	Development	Grants	FY19 Total	FY 2018 6/30/2018 Budget	FY 2017 6/30/2017 Budget	\$ Change from Prior Year Budget	% Change from Prior Year Budget
Revenue:											
Dwelling rent	1,621,481		601,768				2,223,249	1,896,896	1,837,557	326,353	17.20%
Vacancy loss	(40,600)		(6,602)				(47,202)	(58,140)	(51,464)	10,938	-18.81%
Other tenant income	120,338	34,000	5,745				160,082	128,603	130,151	31,479	24.48%
Operating subsidy	2,249,027	1,074,182		159,641		200,500	3,683,350	3,289,044	3,227,915	394,306	11.99%
Housing assistance payments		14,016,790				387,744	14,404,534	12,214,586	12,764,281	2,189,948	17.93%
Mgmt fees				455,626			455,626	453,705	431,738	1,921	0.42%
Interest income	931	-	20,000	-			20,931	23,295	28,980	(2,364)	-10.15%
County contribution			-	90,960	181,011		271,971	90,960	90,960	181,011	199.00%
Grant revenue	173,500	92,700			224,000	656,905	1,147,105	888,423	1,106,000	258,682	29.12%
Other/In-kind	7,714		11,578	-	750,000	-	769,292	693,862	36,070	75,430	10.87%
TOTAL REVENUE	4,132,391	15,217,672	632,489	706,227	1,155,011	1,245,149	23,088,939	19,621,234	19,602,188	3,467,705	17.67%
ADMINISTRATIVE EXPENSE:											
Salaries	513,607	654,780	47,867	437,900	256,216	8,629	1,918,999	1,701,019	1,590,682	217,980	12.81%
Employee benefits	292,479	408,982	19,835	240,400	141,395	5,231	1,108,321	1,007,673	886,518	100,648	9.99%
Legal fees	19,250	2,250	1,817	500	5,000		28,817	29,896	30,602	(1,079)	-3.61%
Staff training/travel	13,500	7,750	385	7,500	6,000	-	35,135	22,685	18,217	12,450	54.88%
Auditing fees	22,826	13,831	1,054	7,322	500		45,534	44,400	48,957	1,134	2.55%
Other administrative expenses	192,754	196,732	181,602	376,278	365,900	-	1,313,266	1,223,059	726,335	90,207	7.38%
Management fee expense	455,626	-	-	-	-	-	455,626	453,708	361,153	1,918	0.42%
TOTAL ADMINISTRATIVE	1,510,042	1,284,325	252,560	1,069,900	775,011	13,860	4,905,698	4,482,440	3,662,464	423,257.87	9.44%
TENANT SERVICES:											
Salaries	16,927	53,432				41,441	111,800	108,016	106,939	3,784	3.50%
Benefits	11,572	38,127				28,332	78,031	75,060	68,580	2,971	3.96%
Other	31,000	-		-		39,227	70,227	31,000	150,738	39,227	126.54%
TOTAL TENANT SERVICES	59,499	91,560	-	-	-	109,000	260,058	214,076	326,257	45,982	21.48%
UTILITIES:											
Water	175,418		7,136			-	182,554	171,689	160,994	10,865	6.33%
Sewer	403,266		24,798			-	428,064	413,170	354,952	14,894	3.60%
Electricity	92,502		7,749	6,450		-	106,701	119,090	127,922	(12,389)	-10.40%
Gas	24,095		-	1,896		-	25,991	33,871	44,965	(7,880)	-23.26%
TOTAL UTILITIES	695,281	-	39,682	8,346	-	-	743,310	737,820	688,833	5,490	0.74%

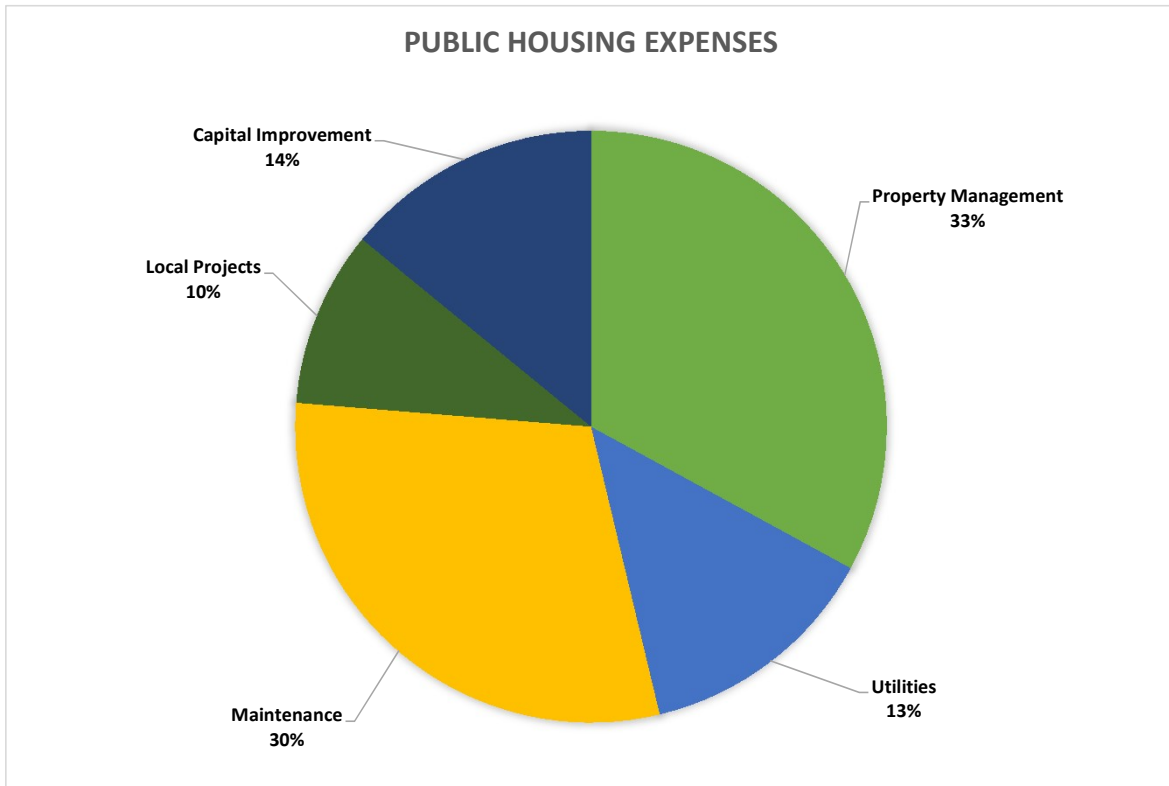
Housing Authority of Clackamas County
Public Housing Budget

	Clackamas Heights (501)	Scattered Sites (502)	Hillside Park (503)	OCVM (504)	Hillside Manor (505)	Public Housing FY19 Total
INCOME:						
Dwelling rent	256,594	617,779	243,279	192,343	311,486	1,621,481
Vacancy loss (3%)	(5,000)	(15,000)	(6,600)	(4,500)	(9,500)	(40,600)
Other tenant income	17,805	35,184	18,323	30,341	18,686	120,338
Operating subsidy	472,957	556,222	374,501	508,843	336,504	2,249,027
Interest income	79	499	206	53	94	931
Grant revenue	31,835	46,160	31,835	31,835	31,835	173,500
Other/Inkind	-	-	-	-	7,714	7,714
TOTAL REVENUE	<u>774,270</u>	<u>1,240,844</u>	<u>661,544</u>	<u>758,915</u>	<u>696,819</u>	<u>4,132,391</u>
ADMINISTRATIVE EXPENSE:						
Salaries	89,357	156,458	88,767	90,259	88,767	513,607
Employee benefits	51,742	84,652	51,910	52,264	51,910	292,479
Legal fees	5,000	5,000	1,000	3,000	5,250	19,250
Staff training/travel	2,250	2,250	2,250	2,250	4,500	13,500
Auditing fees	4,294	6,735	3,752	4,294	3,752	22,826
Other administrative expenses	35,752	46,340	28,984	38,886	42,792	192,754
Management fee expense	85,030	120,372	84,600	80,904	84,720	455,626
TOTAL ADMINISTRATIVE	<u>273,424</u>	<u>421,806</u>	<u>261,263</u>	<u>271,858</u>	<u>281,690</u>	<u>1,510,042</u>
TENANT SERVICES:						
Salaries	3,105	4,506	3,105	3,105	3,105	16,927
Benefits	2,123	3,081	2,123	2,123	2,123	11,572
Other	10,000	4,500	6,000	5,000	5,500	31,000
TOTAL TENANT SERVICES	<u>15,228</u>	<u>12,087</u>	<u>11,228</u>	<u>10,228</u>	<u>10,728</u>	<u>59,499</u>
UTILITIES:						
Water	30,350	60,308	27,723	39,005	18,031	175,418
Sewer	83,404	94,528	61,816	99,547	63,972	403,266
Electricity	15,457	1,775	2,942	7,704	64,625	92,502
Gas	1,321	581	803	731	20,659	24,095
TOTAL UTILITIES	<u>130,532</u>	<u>157,191</u>	<u>93,284</u>	<u>146,987</u>	<u>167,287</u>	<u>695,281</u>
MAINTENANCE:						
Labor	117,537	223,022	91,129	118,725	91,129	641,542
Benefits	75,050	157,379	64,495	75,808	64,495	437,228
Materials	32,743	45,086	17,715	21,497	16,875	133,916
Garbage contracts	37,954	55,399	27,575	30,337	7,442	158,707
Other contracts	23,639	95,575	24,400	20,901	29,805	194,319
TOTAL MAINTENANCE	<u>286,922</u>	<u>576,461</u>	<u>225,315</u>	<u>267,267</u>	<u>209,746</u>	<u>1,565,712</u>
GENERAL EXPENSES:						
Insurance	14,400	22,400	11,450	15,200	13,750	77,200
Payment in Lieu of Taxes	7,500	32,000	13,500	4,500	14,000	71,500
TOTAL GENERAL EXPENSES	<u>21,900</u>	<u>54,400</u>	<u>24,950</u>	<u>19,700</u>	<u>27,750</u>	<u>148,700</u>
OTHER EXPENSES:						
TOTAL OTHER EXPENSES	-	-	-	-	-	-
TOTAL EXPENSES	<u>728,006</u>	<u>1,221,945</u>	<u>616,040</u>	<u>716,040</u>	<u>697,202</u>	<u>3,979,234</u>
OPERATING SURPLUS (DEFICIT)	<u>46,264</u>	<u>18,899</u>	<u>45,504</u>	<u>42,874</u>	<u>(383)</u>	<u>153,157</u>

HACC 2018-2019 Budget



HACC 2018-2019 Budget



**BEFORE THE BOARD OF COMMISSIONERS
OF THE HOUSING AUTHORITY OF CLACKAMAS COUNTY, OREGON**

**In the Matter of Approving the Housing
Authority's 2018/2019 Public Housing
Operating Budget by Project**

RESOLUTION NO.1931

WHEREAS, the Housing Authority Board of Commissioners has reviewed the Public Housing Operating Budget by Project for Fiscal Year ending June 30, 2019 and

WHEREAS, they certify that all regulatory and statutory requirements have been met and that the Housing Authority has sufficient operating reserves to meet the working capital needs of its developments, that the budget expenditures are necessary in the efficient and economical operation of its housing for the purposes of serving low-income residents, and

WHEREAS, the budget indicates a source of funds adequate to cover all proposed expenditures, and

WHEREAS, the calculation of eligibility for federal funding is in accordance with the provisions of the regulations and that all proposed rental charges and expenditures will be consistent with provisions of the law, and

WHEREAS, the Housing Authority will comply with the wage requirements under 24 CFR 968.11 (e) or (f) or 24 CFR 905.120 (c) and (d), and

WHEREAS, the Housing Authority will comply with requirements for the reexamination of family income and composition,

NOW THEREFORE, BE IT RESOLVED that the Housing Authority of Clackamas County, Oregon Public Housing Operating Budget by Project is hereby approved for submittal to the U.S. Department of Housing and Urban Development.

DATED this 21st day of June, 2018

BOARD OF COMMISSIONERS OF THE HOUSING
AUTHORITY OF CLACKAMAS COUNTY, OREGON

Jim Bernard, Chair

Recording Secretary

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. 07/31/2019)

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:PHA Code:

PHA Fiscal Year Beginning: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 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:
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