

HACSA 5a

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 Operating Budget and the Operating Fund Calculation of Operating Subsidy for the Fiscal Year Ending September 30, 2006

AGENDA DATE: May 11, 2005

I. MOTION

IT IS MOVED THAT THE ORDER/RESOLUTION BE ADOPTED APPROVING THE OPERATING BUDGET AND THE OPERATING FUND CALCULATION OF OPERATING SUBSIDY FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2006.

II. ISSUE

HUD requires the Board to review and approve the Public Housing Program Operating Budget and the Calculation of Operating Subsidy.

III. DISCUSSION

A. Background

This Order/Resolution approves our FY2006 budget and calculation of operating subsidy for the Public Housing Program. This Order/Resolution is due to HUD on May 13, 2005. This year, as in past years, the approval of the Public Housing Budget is due prior to consideration of the total Agency Budget by the Board. HACSA's fiscal year begins October 1.

B. Analysis

Attached is the Public Housing Program Operating Budget (HUD Form 52564) and Operating Fund Calculation of Operating Subsidy (HUD Form 52723) for FY2006. A summary of the Operating Budget follows.

Line No.

130	Total Income	\$1,587,250
550	Total Expenditures	<u>3,347,340</u>
590	Deficit Before HUD Contributions	1,760,090
630	HUD Operating Subsidy	<u>1,660,294</u>
700	Net Decrease in Operating Reserve	99,796
800	Estimated Operating Reserve, 9/30/05	<u>1,428,363</u>
820	Estimated Operating Reserve, 9/30/06	<u>\$1,328,567</u>

This budget includes 30.14 full-time permanent equivalent positions, as compared to 31.68 in FY2005.

On April 6, 2005 we informed the Board that HUD had reduced the public housing operating subsidy by 11%, effective for the period October 1 - December 31, 2005. The operating budget projects this reduction through the end of the fiscal year. On April 14, 2005, HUD published a proposed rule in the Federal Register. This rule contains significant changes as to how the operating subsidy will be calculated. These changes are scheduled to take effect January 1, 2006.

Since the final rule will not be published for several months, our operating subsidy for the period January 1 - September 30, 2006 is unknown at this time. However, based on the information that is currently available, we do not expect our subsidy to increase.

C. Alternatives/Options

To receive an FY2006 operating subsidy for its Public Housing Program, the Agency must submit to HUD an Order/Resolution approving the budget and operating subsidy calculation.

D. Recommendation

Approval of the proposed Motion is recommended.

E. Timing

Upon approval by the Board, the Deputy Director will submit the Order/Resolution to HUD.

IV. IMPLEMENTATION/FOLLOW-UP

Same as Item III. E.

V. Attachments

Public Housing Program Operating Budget
Calculation of Operating Subsidy

ORDER
PHA/IHA Board Resolution

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing

OMB Approval No. 2577-0026 (Exp. 9/30/2006)

Approving Operating Budget or Calculation of
Performance Funding System Operating Subsidy

In the Matter of Approving the Operating Budget and the Operating Fund Calculation of Operating
Subsidy for the Fiscal Year Ending September 30, 2006

Public reporting burden for this collection of information is estimated to average 15 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 conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a 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 housing program and provides a summary of 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 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.

Acting on behalf of the Board of Commissioners of the below-named Public Housing Agency (PHA)/Indian Housing Authority (IHA), as its Chairman, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

(date)

- Operating Budget Submitted on: May 11, 2005
- Operating Budget Revision Submitted on: _____
- Calculation of Performance Funding System Submitted on: May 11, 2005
- Revised Calculation of Performance Funding System Submitted on: _____

I certify on behalf of the: (PHA/IHA Name) Housing And Community Services Agency of Lane County
that:

1. All regulatory and statutory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditures 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 calculation of eligibility for Federal funding is in accordance with the provisions of the regulations;
6. All proposed rental charges and expenditures will be consistent with provisions of law;
7. The PHA/IHA will comply with the wage rate requirements under 24 CFR 968.110(e) and (f) or 24 CFR 905.120(c) and (d);
8. The PHA/IHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i) or 24 CFR 905.120(g); and
9. The PHA/IHA will comply with the requirements for the reexamination of family income and composition under 24 CFR 960.209, 990.115 and 905.315.

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, 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, 3802)

Board Chairman's Name (type)	Signature	Date

Previous edition is obsolete

APPROVED AS TO FORM form HUD-52574 (10/95)
ref. Handbook 7575.1

Date 5/2/05 Lane County
Teresa Adels
OFFICE OF PUBLIC HOUSING

Operating Budget

**U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing**

OMB Approval No. 2577-0026 (exp. 10/31/97)

Public reporting burden for this collection of information is estimated to average 116 hours 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. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Office of Information Policies and Systems, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600 and to the Office of Management and Budget, Paperwork Reduction project (2577-0026), Washington, D.C. 20503. Do not send this completed form to either of the above addresses.

a. Type of Submission <input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision No: _____	b. Fiscal Year Ending 9/30/06	c. No. of months (check one) XX 12 Mo <input type="checkbox"/> Other (specify) _____	d. Type of HUD assisted project(s) 01 <input checked="" type="checkbox"/> PHA/IHA Owned Rental Housing 02 <input type="checkbox"/> IHA Owned Mutual Help Homeownership 03 <input type="checkbox"/> PHA/IHA Leased Rental Housing 04 <input type="checkbox"/> PHA/IHA Owned Turnkey III Homeownership 05 <input type="checkbox"/> PHA/IHA Leased Homeownership
e. Name of Public Housing Agency/ Indian Housing Authority (PHA/IHA) Housing And Community Services Agency of Lane County, Oregon			
f. Address (city, State, zip code) 177 Day Island Road Eugene OR 97401			

g. ACC Number SF196	h. PAS / LOCCS Project No. OR00600106S	i. HUD Field Office Portland, OR
j. # Dwell. Units 702	k. No. of Unit Months Available 8424	m. No. of Projects 15

Line No.	Acct. No.	Description (1)	Actuals Last FY Yr. 2004 PUM (2)	<input checked="" type="checkbox"/> Estimates <input type="checkbox"/> or Actual Current Budget Yr. 2005 PUM (3)	Requested Budget Estimates			
					PHA Estimates		HUD Modifications	
					PUM (4)	Amount Nearest \$10 (5)	PUM (6)	Amount Nearest \$10 (7)
Homebuyers Monthly Payments for:								
010	7710	Operating Expense						
020	7712	Earned Home Payments						
030	7714	Nonroutine Maintenance reserve						
040	Total	Break-Even Amount (sum of Lines 010, 020 and 030)						
050	7716	Excess (or Deficit) In Break-Even						
060	7790	Homebuyers Monthly Payments - Contra						
Operating Receipts								
070	3110	Dwelling Rental	143.12	148.15	149.93	1,263,010		
080	3120	Excess Utilities						
090	3190	Nondwelling Rental						
100	Total	Rental Income	143.12	148.15	149.93	1,263,010		
110	3610	Interest on General Fund Investments	0.73	1.19	2.67	22,500		
120	3690	Other Income	39.29	39.31	35.82	301,740		
130	Total	Operating Income (sum of lines 100,110, and 120)	183.14	188.65	188.42	1,587,250		
Operating Expenditures - Administration:								
140	4110	Administrative Salaries	89.10	85.41	89.18	751,290		
150	4130	Legal Expense	2.12	0.71	0.71	6,000		
160	4140	Staff Training	0.09	0.59	0.24	2,000		
170	4150	Travel	0.78	1.07	0.95	8,000		
180	4170	Accounting Fees						
190	4171	Auditing Fees	1.01	1.01	1.07	9,000		
200	4190	Other Administrative Expenses	16.00	20.10	16.98	143,000		
210	Total	Administrative Expense (Sum of line 140 thru 200)	109.09	108.89	109.13	919,290		
Tenant Services:								
220	4210	Salaries	5.93	5.87	5.87	49,470		
230	4220	Recreation, Publications and Other Services	0.19	0.36	0.36	3,000		
240	4230	Contract Costs, Training and Other	1.24	2.05	2.06	17,350		
250	Total	Tenant Services Expense (Sum of line 220,230 and 240)	7.35	8.28	8.29	69,820		
Utilities								
260	4310	Water and Sewer	23.13	22.56	25.68	216,360		
270	4320	Electricity	11.06	10.62	11.41	96,110		
280	4330	Gas	2.00	2.10	2.32	19,560		
290	4340	Steam	9.41	10.84	10.97	92,390		
300	4350	Labor	0.35					
310	4390	Other utilities expense						
320	Total	Utilities Expense (sum of line 260 thru line 310)	45.94	46.12	50.38	424,420		

Name of PHA / IHA Housing And Community Services Agency of Lane County			Fiscal Year Ending 9/30/2006		Requested Budget Estimates			
Line No.	Acct. No.	Description (1)	Actuals Last FY Yr. 2004 PUM (2)	<input checked="" type="checkbox"/> Estimates or Actual Current Budget Yr. 2005 PUM (3)	PHA Estimates		HUD Modifications	
					PUM (4)	Amount Nearest \$10 (5)	PUM (6)	Amount Nearest \$10 (7)
Ordinary Maintenance and Operation:								
330	4410	Labor	57.35	53.87	49.82	419,670		
340	4420	Materials	18.39	20.77	19.59	165,000		
350	4430	Contract Costs	42.35	40.18	39.77	335,000		
360	Total	Ordinary Maintenance and Operation Expense (lines 330 to 350)	118.09	114.83	109.17	919,670		
Protective Services:								
370	4460	Labor	2.13	3.23	3.23	27,220		
380	4470	Materials						
390	4480	Contract Costs	0.00	0.00	0.00	-		
400	Total	Protective Services Expense (sum of lines 370 to 390)	2.13	3.23	3.23	27,220		
General Expense:								
410	4510	Insurance	7.35	6.41	7.36	62,000		
420	4520	Payments in Lieu of Taxes	8.42	8.99	10.02	84,420		
430	4530	Terminal Leave Payments						
440	4540	Employee Benefit Contributions	73.54	85.26	87.90	740,500		
450	4570	Collection Losses	2.40	2.97	2.97	25,000		
460	4590	Other General Expense						
470	Total	General Expense (sum of lines 410 to 460)	91.72	103.63	108.25	911,920		
480	Total	Routine Expense (sum of lines 210,250,320,360,400, and 470)	374.32	384.99	388.45	3,272,340		
Rent for Leased Dwellings:								
490	4710	Rents to Owners of Leased Dwellings						
500	Total	Operating Expense (sum of lines 480 and 490)	374.32	384.99	388.45	3,272,340		
Nonroutine Expenditures:								
510	4610	Extraordinary Maintenance	9.25	8.31	5.94	50,000		
520	7520	Replacement of Nonexpendable Equipment						
530	7540	Property Betterments and Additions	1.99	2.97	2.97	25,000		
540	Total	Nonroutine Expenditures (sum of lines 510, 520, and 530)	11.24	11.28	8.90	75,000		
550	Total	Operating Expenditures (sum of lines 500 and 540)	385.56	396.26	397.36	3,347,340		
Prior Year Adjustments:								
560	6010	Prior year Adjustments affecting Residual Receipts						
Other Expenditures:								
570		Deficiency in Residual Receipts at End of Preceding Fiscal Yr.						
580	Total	Operating Expenditures, including prior year adjustments and other expenditures (line 550 plus or minus line 560 plus line 570)	385.56	396.26	397.36	3,347,340		
590		Residual receipts(or Deficit) before HUD Contributions and Provision for operating reserve (line 130 minus 580)	(202.42)	(207.61)	(208.94)	(1,760,090)		
HUD Contributions:								
600	8010	Basic Annual Contribution Earned - Leased Projects: Current Year						
610	8011	Prior Year Adjustments - (Debit) Credit						
620	Total	Basic Annual Contribution (line 600 plus or minus line 610)						
630	8020	Contributions Earned - Op. Subj. - Cur. Yr. (before year-end adj)	207.03	207.61	197.09	1,660,294		
640		Mandatory PFS Adjustments (net):						
650		Other (specify)						
660		Other (specify)						
670		Total Year-end Adjustments/Other (Plus or minus lines 640 thru 660)						
680	8020	Total Operating Subsidy-current year (line 630 plus or minus line 670)	197.77	207.61	197.09	1,660,294		
690	Total	HUD Contributions (sum of lines 620 and 680)	197.77	207.61	197.09	1,660,294		
700		Residual receipts(or Deficit) (sum of line 590 plus line 690) Enter here and on line 810	(4.65)	0.00	(11.85)	(99,796)		

Name of PHA / IHA Housing And Community Services Agency of Lane County		Fiscal Year Ending 9/30/2006	
Operating Reserve		PHA Estimates	HUD Modifications
Part I - Maximum Operating Reserve - End of Current Budget Year			
740	2821	PHA / IHA - Leased Housing - Section 23 or 10(c) 50% of Line 480, column 5, form HUD 52564.	1,636,170

Part II - Provision for and Estimated or Actual Operating Reserve at Fiscal Year End			
780		Operating Reserve at End of Previous Fiscal Year - Actual for FYE (date): 9/30/04	1,428,363
790		Provision for Operating Reserve - Current Budget Year (Check One) <input checked="" type="checkbox"/> Estimated for FYE 9/30/05 <input type="checkbox"/> Actual for FYE	-
800		Operating Reserve at End of Current Budget Year (Check One) <input checked="" type="checkbox"/> Estimated for FYE 9/30/06 <input type="checkbox"/> Actual for FYE	1,428,363
810		Provision for Operating Reserve - Requested Budget Year Estimated for FYE Enter Amount from Line 700	(99,796)
820		Operating Reserve at End of Requested budget Year Estimated for FYE (Sum of lines 800 and 810)	1,328,567
830		Cash Reserve Requirement 20% of line 480	654,468

Comments:

PHA / IHA
Approval Name Larry A. Abel
Title Deputy Director
Signature *Larry A. Abel* Date 4/27/2005

Field Office
Approval Name _____
Title _____
Signature _____ Date _____

Operating Fund
Calculation of Operating Subsidy
 PHA -Owned Rental Housing

U.S. Department of Housing
and Urban Development
 Office of Public and Indian Housing

OMB Approval No. 2577-0029 (exp.10/31/2004)

Section 1

a) Name and Address of Public Housing Agency					b) Budget submission to HUD required <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Housing and Community Services Agency of Lane County, Oregon 177 Day Island Road Eugene OR 97401					c) Type of Submission: <input checked="" type="checkbox"/> Original <input type="checkbox"/> Revision No. ()	
d) No. of HA Units	e) Unit Months Available: (UMAs)	f) Subject FYE	g) ACC Number	h) Operating Fund Project Number	i) DUNS Number	
702	8,424	9/30/2006	SF-196	OR00600106S	05364-4746	

Section 2

Line No.	Description	Requested by PHA (PUM)	HUD Modifications (PUM)
Part A. Allowable Expenses and Additions			
01	Previous allowable expense level (Part A, Line 08 of form HUD-52723 for previous year)	300.65	
02	Part A, Line 01 multiplied by .005	1.50	
03	Delta from form HUD-52720-B, if applicable (see instructions)		
04	"Requested" year units from latest form HUD-52720-A (see instructions) 702		
05	Add-ons to allowable expense level from previous fiscal year (see instructions)		
06	Total of Part A, Lines 01, 02, 03 and 05	302.15	
07	Inflation factor	1.028	
08	Revised allowable expense level (AEL) (Part A, Line 06 times Line 07)	310.61	
09	Transition Funding		
10	Increase to AEL		
11	Allowable utilities expense level from form HUD-52722-A	50.38	
12	Actual PUM cost of Independent Audit (IA) (Through FYE 04)	1.00	
13	Costs attributable to deprogrammed units		
14	Total Allowable Expenses and Additions (Sum of Part A, Lines 08 thru 13)	361.99	
Part B. Dwelling Rental Income			
01	Total rent roll (as of 5/1/05)	\$ 103,532	
02	Number of occupied units as of rent roll date	688	
03	Average monthly dwelling rental charge per unit for current budget year (Part B, Line 01 /Line 02)	150.48	
04	Average monthly dwelling rental charge per unit for prior budget year	148.28	
05	Average monthly dwelling rental charge per unit for budget year 2 years ago	150.12	
06	Three-year average monthly dwelling rental charge per unit ((Part B, Line 03+Line 04+Line05)/3)	149.63	
07	50/50 Income split ((Part B, Line 03 + Line 06) / 2)	150.07	
08	Average monthly dwelling rental charge per unit (lesser of Part B, Line 03 or Line 07)	150.07	
09	Rental Income adjustment factor	1.03	
10	Projected average monthly dwelling rental charge per unit (Part B, Line 08 times Line 09)	154.57	
11	Projected occupancy percentage from form HUD-52728	97%	
12	Projected average monthly dwelling rental income per unit (Part B, Line 10 times Line 11)	149.93	
Part C. Non-dwelling Income			
01	Other income	0.55	
02	Total operating receipts (Part B, Line 12 plus Part C, Line 01)	150.48	
03	PUM deficit or (Income) (Part A, Line 14 minus Part C, Line 02)	211.51	
		Requested by PHA (Whole Dollars)	HUD Modifications (Whole Dollars)
04	Deficit or (Income) before add-ons (Part C, Line 03 times Section 1, e)	1,781,760	

Line No.	Description	Requested by PHA (Whole Dollars)	HUD Modifications (Whole Dollars)
Part D. Add-ons for changes in Federal law or regulation and other eligibility			
01	FICA contributions	48,775	
02	Unemployment compensation	16,992	
03	Family Self Sufficiency Program		
04	Energy Add-On for loan amortization		
05	Unit reconfiguration		
06	Non-dwelling units approved for subsidy 2 units @ 310.61 x 12 mo	621	
07	Long-term vacant units		
08	Phase Down for Demolitions		
09	Units Eligible for Resident Participation: Occupied Units (Part B, Line 02)	688	
10	Employee Units	4	
11	Police Units	2	
12	Total Units Eligible for Resident Participation (Sum of Part D, Line 09 thru 11)	694	
13	Funding for Resident Participation (Part D, Line 12 x \$25)	17,350	
14	Other approved funding, not listed (Specify in Section 3)		
15	Total Add-ons (sum of Part D, Line 01, 02, 03, 04, 05, 06 07, 08, 13 and 14)	83,739	
Part E. Calculation of Operating Subsidy Eligibility Before Adjustments			
01	Deficit or (Income) before adjustments (Total of Part C, Line 04 and Part D, Line 15)	1,865,499	
02	Actual cost of Independent Audit (IA)	8,500	
03	Operating subsidy eligibility before adjustments (greater of Part E, Line 01 or Line 02) (If less than zero, enter zero (0))	1,865,499	
Part F. Calculation of Operating Subsidy Approvable for Subject Fiscal Year (Note: Do not revise after the end of the subject FY)			
01	Utility adjustment for Prior years 2004	(4,621)	
02	Additional subject fiscal year operating subsidy eligibility (specify)		
03	Unfunded eligibility in prior fiscal years to be obligated in subject fiscal year	()	()
04	HUD discretionary adjustments		
05	Other (specify)		
06	Other (specify)		
07	Unfunded portion due to proration		
08	Net adjustments to pertaining subsidy (total of Part F, Line 01 thru 07)	(4,621)	
09	Operating subsidy approvable for subject fiscal year (total of Part E, Line 03 and Part F, line 08)	1,860,878	
HUD Use Only (note: Do not revise after the end of the subject FY)			
10	Amount of operating subsidy approvable for subject fiscal year not funded		()
11	Amount of funds obligated in excess of operating subsidy approvable for subject fiscal year		
12	Funds obligated in subject fiscal year (sum of Part F, Line 09 thru 11) (Must be the same as line 690 of the Operating Budget, for the subject fiscal year) Appropriation symbol(s):		
Part G. Memorandum of Amounts Due HUD, Including Amounts on Repayment Schedules			
01	Total amount due in previous fiscal year (Part G, Line 04 of form HUD-52723 for previous fiscal year)		
02	Total amount to be collected in subject fiscal year (Identify individual amounts under section 3)	()	()
03	Total additional amount due HUD (include any amount entered on Part F, Line 11 Identify individual amounts under Section 3)		
04	Total amount due HUD to be collected in future fiscal year(s) (Total of Part G, Lines 01 thru 03) (Identify individual amounts under Section 3)		0

Line No.	Description	Requested by PHA (Whole Dollars)	HUD Modifications (Whole Dollars)
Part H. Calculation of Year-end Adjustment for Subject Fiscal Year			
This part is to be completed only after the subject fiscal year has ended			
01	Indicate the types of adjustments that have been reflected on this form: <input type="checkbox"/> Utility Adjustment <input type="checkbox"/> HUD discretionary adjustment (Specify under Section 3)		
02	Utility adjustment from form HUD-52722-B		
03	Deficit of (income) after adjustments (total of Part E, Line 01 and Part H, Line 02)		
04	Operating subsidy eligibility after year-end adjustments (greater of Part E, Line 02 or Part H, Line 03)		
05	Part E, Line 03 of latest form HUD-52723 approved during subject FY (Do not use Part E, Line 03 of this revision)		
06	Net adjustments for subject fiscal year (Part H, Line 04 minus Part H, Line 05)		
07	Utility adjustment (enter same amount as Part H, Line 02)		
08	Total HUD discretionary adjustments (Part H, Line 06 minus Line 07)		
09	Unfunded portion of utility adjustment due to proration		
10	Unfunded portion of HUD discretionary adjustment due to proration		
11	Prorated utility adjustment (Part H, Line 07 plus Line 09)		
12	Prorated HUD discretionary adjustment (Part H, Line 08 plus Line 10)		

Section 3

Remarks (provide part and line numbers)

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, 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, 3802)

Signature of Authorized HA Representative & Date:

W. A. Abel 4/27/2005

Signature of Authorized Field Office Representative & Date: