

HACSA W-3-a.

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 Public Housing Operating Budget for the Fiscal Year Ending September 30, 2007

AGENDA DATE: September 27, 2006

I. MOTION

IT IS MOVED THAT THE ORDER/RESOLUTION BE ADOPTED APPROVING THE PUBLIC HOUSING OPERATING BUDGET FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2007.

II. ISSUE

HUD requires the Board to review and approve the Public Housing Operating Budget.

III. DISCUSSION

A. Background

This Order/Resolution approves our FY 2007 operating budget for the Public Housing Program. In past years, the approval of the Public Housing Operating Budget was due prior to consideration of the total Agency Budget by the Board. This year both budgets need to be approved prior to October 1, 2006, the beginning of HACSA's fiscal year.

B. Analysis

Attached is the Public Housing Operating Budget (HUD Form 52564) for FY 2007. A summary follows.

Line No.

130	Total Income	\$1,671,000
550	Total Expenditures	<u>3,228,000</u>
590	Deficit Before HUD Contributions	1,557,000
630	Estimated HUD Operating Subsidy	<u>1,557,000</u>
700	Residual Receipts	<u>\$ -</u>

This budget includes 28.5 full-time permanent equivalent positions, as compared to 30.14 in FY 2006. It also includes an operating subsidy of \$1,557,000 as compared to \$1,648,555 in FY 2006.

There are two reasons for the decrease in HUD's operating subsidy. The first has to do with major revisions of the formula under which operating subsidies are calculated. These revisions are the result of a cost study conducted by the Harvard University Graduate School of Design. In 1999 HUD contracted with Harvard to determine what it should cost to operate a well-run public housing program. The Harvard cost study was completed in July 2003 and contains a new operating subsidy formula as well as recommendations to convert public housing to project-based budgeting and asset management. Under the new formula (beginning January 1, 2007), 75% of the nation's 3,300 public housing authorities (PHAs) will receive increases in their operating subsidies. The other 25%, including all Oregon PHAs, will receive decreases.

Secondly, overall cuts in recent HUD budgets have resulted in insufficient appropriations to fully fund public housing operating subsidies. All PHAs now get a prorated level of funding, which is currently 85.5%, through September 30, 2006. The proration for the last quarter of 2006 is not yet finalized. We don't expect to know the 2007 percentage until at least next June.

We believe that the operating subsidy included in this budget is a conservative estimate. We will inform you of any significant changes.

C. Alternatives/Options

HUD requires the Board to approve next (fiscal) year's Public Housing Operating budget by September 30, 2006.

D. Recommendation

Approval of the proposed Motion is recommended.

E. Timing

Upon approval by the Board, the Public Housing Operating Budget will be effective on October 1, 2006.

IV. IMPLEMENTATION/FOLLOW-UP

Same as Item III. E.

V. Attachments

Public Housing Program Operating Budget

ORDER
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. 9/30/2006)

In the Matter of Approving the Public Housing Operating Budget for the Fiscal Year Ending
September 30, 2007

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 And Community Services Agency of Lane PHA Code: OR006
County

PHA Fiscal Year Beginning: October 1, 2006 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: September 27, 2006
- 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:

In the Matter of Approving the Public Housing Operating Budget for the Fiscal Year Ending

Previous editions are obsolete September 30, 2007

form HUD-52574 (08/2005)

APPROVED AS TO FORM
Date 9/25/06 Lane County
[Signature]
OFFICE OF THE COUNTY CLERK

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 9/30/07		c. No. of months (check one) XX 12 Mo ___ Other (specify) _____		d. Type of HUD assisted project(s)		
e. Name of Public Housing Agency/ Indian Housing Authority (PHA/IHA) Housing And Community Services Agency of Lane County, Oregon				01 <input checked="" type="checkbox"/> PHA/IHA Owned Rental Housing				
f. Address (city, State, zip code) 177 Day Island Road Eugene OR 97401				02 <input type="checkbox"/> IHA Owned Mutual Help Homeownership				
g. ACC Number SF196				h. PAS / LOCCS Project No. OR00600107D		03 <input type="checkbox"/> PHA/IHA Leased Rental Housing		
j. # Dwell. Units 703				k. No. of Unit Months Available 8436		04 <input type="checkbox"/> PHA/IHA Owned Turnkey III Homeownership		
				m. No of Projects 6		05 <input type="checkbox"/> PHA/IHA Leased Homeownership		
						i. HUD Field Office Portland, OR		
Line No.	Acct. No.	Description (1)	Actuals Last FY Yr. 2005 PUM (2)	Estimates or Actual Current Budget Yr. 2006 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	148.17	149.92	155.29	1,310,000		
080	3120	Excess Utilities						
090	3190	Nondwelling Rental						
100	Total	Rental Income	148.17	149.92	155.29	1,310,000		
110	3610	Interest on General Fund Investments	2.17	2.67	2.96	25,000		
120	3690	Other Income	51.31	35.82	39.83	336,000		
130	Total	Operating Income (sum of lines 100,110, and 120)	201.65	188.41	198.08	1,671,000		
Operating Expenditures - Administration:								
140	4110	Administrative Salaries	92.20	89.18	79.97	674,656		
150	4130	Legal Expense	8.83	0.71	0.71	6,000		
160	4140	Staff Training	0.06	0.24	0.24	2,000		
170	4150	Travel	0.67	0.95	1.07	9,000		
180	4170	Accounting Fees						
190	4171	Auditing Fees	1.06	1.07	1.07	9,000		
200	4190	Other Administrative Expenses	16.12	16.98	14.76	124,499		
210	Total	Administrative Expense (Sum of line 140 thru 200)	118.94	109.13	97.81	825,155		
Tenant Services:								
220	4210	Salaries	5.55	5.87	4.66	39,314		
230	4220	Recreation, Publications and Other Services	0.19	0.36	0.24	2,000		
240	4230	Contract Costs, Training and Other	1.14	2.06	2.02	17,000		
250	Total	Tenant Services Expense (Sum of line 220,230 and 240)	6.88	8.29	6.91	58,314		
Utilities								
260	4310	Water and Sewer	25.34	25.68	28.45	240,000		
270	4320	Electricity	10.97	11.41	12.80	108,000		
280	4330	Gas	2.37	2.32	3.20	27,000		
290	4340	Steam	11.88	10.97	13.63	115,000		
300	4350	Labor	0.34					
310	4390	Other utilities expense						
320	Total	Utilities Expense (sum of line 260 thru line 310)	50.9	50.38	58.08	490,000		

Housing And Community Services Agency of Lane County

9/30/2007

Line No.	Acct. No.	Description (1)	Actuals Last FY Yr. 2005 PUM (2)	<input checked="" type="checkbox"/> Estimates or Actual Current Budget Yr. 2006 PUM (3)	Requested Budget Estimates			
					PHA Estimates		HUD Modifications	
					PUM (4)	Amount Nearest \$10 (5)	PUM (6)	Amount Nearest \$10 (7)
Ordinary Maintenance and Operation:								
330	4410	Labor	56.12	49.82	51.60	435,312		
340	4420	Materials	20.95	19.59	20.74	175,000		
350	4430	Contract Costs	39.34	39.77	38.53	325,000		
360	Total	Ordinary Maintenance and Operation Expense (lines 330 to 350)	116.41	109.17	110.87	935,312		
Protective Services:								
370	4460	Labor	3.23	3.23	2.59	21,882		
380	4470	Materials						
390	4480	Contract Costs						
400	Total	Protective Services Expense (sum of lines 370 to 390)	3.23	3.23	2.59	21,882		
General Expense:								
410	4510	Insurance	7.99	7.36	7.94	67,000		
420	4520	Payments in Lieu of Taxes	9.70	10.02	9.72	82,000		
430	4530	Terminal Leave Payments						
440	4540	Employee Benefit Contributions	84.03	87.90	79.82	673,337		
450	4570	Collection Losses	2.60	2.97	2.96	25,000		
460	4590	Other General Expense						
470	Total	General Expense (sum of lines 410 to 460)	104.32	108.25	100.44	847,337		
480	Total	Routine Expense (sum of lines 210,250,320,360,400, and 470)	400.68	388.45	376.72	3,178,000		
Rent for Leased Dwellings:								
490	4710	Rents to Owners of Leased Dwellings						
500	Total	Operating Expense (sum of lines 480 and 490)	400.68	388.45	376.72	3,178,000		
Nonroutine Expenditures:								
510	4610	Extraordinary Maintenance	5.85	5.94	5.93	50,000		
520	7520	Replacement of Nonexpendable Equipment						
530	7540	Property Betterments and Additions		2.97				
540	Total	Nonroutine Expenditures (sum of lines 510, 520, and 530)	5.85	8.90	5.93	50,000		
550	Total	Operating Expenditures (sum of lines 500 and 540)	406.53	397.35	382.65	3,228,000		
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)	406.53	397.35	382.65	3,228,000		
590		Residual receipts(or Deficit) before HUD Contributions and Provision for operating reserve (line 130 minus 580)	(204.88)	(208.94)	(184.57)	(1,557,000)		
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 of minus line 610)						
630	8020	Contributions Earned - Op. Sub: - Cur. Yr. (before year-end adj)	205.20	197.09	184.57	1,557,000		
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)	205.20	197.09	184.57	1,557,000		
690	Total	HUD Contributions (sum of lines 620 and 680)	205.20	197.09	184.57	1,557,000		
700		Residual receipts(or Deficit) (sum of line 590 plus line 690) Enter here and on line 810	0.32	(11.85)	-	-		