



Meeting Date: June/17/2008

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Carrie Sabatini Agenda Item No. I-4

Reviewed By: City Manager [Signature] City Attorney [Signature] Finance [Signature] Other _____

DATE: June 9, 2008

TO: Housing Authority Commission

FROM: Salvador Gonzalez, Housing Director
Housing Department [Signature]

SUBJECT: Section 8 Housing Choice Voucher Program Budget for Fiscal Year 2009

RECOMMENDATION

That the Board of Commissioners of the Housing Authority of the City of Oxnard 1) adopt a resolution approving and adopting the recommended \$16,184,321 operating budget for the Section 8 Housing Choice Voucher Program ("Section 8") for fiscal year 2009 and 2) approve and authorize the use of \$23,257 of administrative reserves to fund the projected deficit.

DISCUSSION

This recommended budget pertains exclusively to the 1659 Housing Choice Vouchers administered by the City of Oxnard Housing Authority ("OHA"). The recommended operating budget is comprised of two parts, the housing assistance payments ("HAP") paid to landlords for subsidy of rental income and the administrative fees used to operate the administration of the Section 8 program. The HAP portion of the program is anticipated to be approximately \$14,512,272 for rental subsidies passed directly through from the Department of Housing and Urban Development ("HUD") to the private landlords in the community. The administrative fee operations are estimated to be approximately \$1,672,049 which is anticipated to produce a deficit of approximately \$23,257.

The process of developing the fiscal year 2009 budget was difficult for several reasons. Congress and HUD allocate funding based upon a calendar year, as opposed to the Housing Authority fiscal year or federal fiscal year. Since the Congressional process for calendar year 2009 is unknown at this time, the 2008 funding methodology will be used for the entire fiscal year for budget purposes. An additional difficulty in the budget process is that the 2008 appropriations is inadequate to meet 100% of the eligible fees nationwide, therefore, a proration factor will be applied to all housing authorities throughout the nation. The eligibility is to be determined by the number of units each housing authority has leased up in the prior quarter. The proration amount will change quarterly throughout the calendar year depending on the quarterly eligibility of all housing authorities. The funding proration for the first

and second quarter of the current calendar year has not yet been announced although we are nearing the end of the second quarter. Initial discussion was that it would be approximately 86%. As such, an 86% proration was used to calculate the administrative revenue for the entire year. Should the announced percentage in any given quarter be higher than this rate, administrative revenues will be higher than anticipated.

The Authority must carefully manage available administrative funds to remain within budget and provide quality services to our clientele. The Authority has reduced some expense line items where known savings are anticipated or has made minimal adjustment to bring the budget closer to anticipated costs. The increase in benefits is a result of an existing bargaining unit increase which was effective July 1, 2007.

In the prior year, the OHA decreased staffing for inspections due to budget constraints. It was anticipated that regulatory relief would be in place by January 2008 to decrease the number of inspections required under the program. Such relief has not been passed to date. Staff has programmed an additional \$12,000 to assist in getting some of the units inspected in a timely manner by other staff members until such legislation is passed.

The resulting budget leaves an administrative operating deficit of \$23,257.

FINANCIAL IMPACT

As of March 31, 2008, the Authority's Section 8 administrative operating reserve has a balance of \$186,497. If the additional reductions are approved, and the resulting deficit is taken from Section 8 administrative fee reserves, the resulting reserve balance would be approximately \$163,240. If, however, the deficit can be made up in any additional administrative fee revenues received by a higher than budgeted proration, the reserve balance would not change.

Attachment #1 - Housing Authority Resolution
#2 - Budget document

HOUSING AUTHORITY OF THE CITY OF OXNARD
RESOLUTION NO.

**RESOLUTION APPROVING AND ADOPTING THE SECTION 8 HOUSING CHOICE
VOUCHER PROGRAM OPERATING BUDGET FOR FISCAL YEAR 2009**

WHEREAS, the Housing Authority of the City of Oxnard (Authority) has prepared a Section 8 Housing Choice Voucher Program Operating Budget of \$16,184,321 for the fiscal year 2009; and

WHEREAS, the budgeted expenditures are necessary for the efficient and economical operation of the Authority for the purpose of serving low-income families; and

WHEREAS, the budget for the fiscal year 2009 indicates a source of funding adequate to cover all proposed expenditures; and

WHEREAS, the budgeted rental charges and expenditures will be consistent with the provisions of law and the Annual Contribution Contract; and

WHEREAS, the United States Department of Housing and Urban Development (HUD) requires the Authority to certify that no Authority employee is serving in a variety of positions which will exceed a 100% allocation of his/her time.

NOW THEREFORE, the Board of Commissioners of the Housing Authority of the City of Oxnard hereby resolves:

1. That the Section 8 Housing Choice Voucher Program Operating Budget (Operating Budget) for the fiscal year 2009 totaling \$16,184,321 available on file at the Housing Department and incorporated in full herein by this reference is approved and adopted.
2. That no Authority employee reflected in the Operating Budget is serving in a variety of positions which will exceed 100% allocation of his/her time.

APPROVED AND ADOPTED this 17th day of June 2008, by the following vote:

AYES:
NOES:
ABSENT:

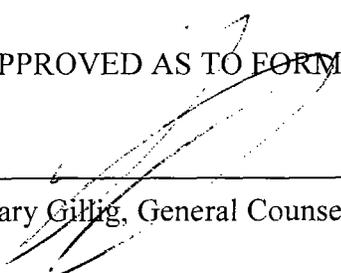
Dr. Thomas E. Holden, Chairman

Fiscal Year 2009 Section 8 Budget
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ATTEST:

Daniel Martinez, Secretary Designate

APPROVED AS TO FORM:



Gary Gillig, General Counsel

OXNARD HOUSING AUTHORITY
RECOMMENDED BUDGET FOR FISCAL YEAR 2008 - 2009

Housing Choice Voucher Program	Budget FY08	Recommended Budget FY 09	Difference
Income:			
Administrative Fee	1,419,449	1,561,000	141,551
Total HUD Income	1,419,449	1,561,000	141,551
Interest - Op Reserve	12,000	8,900	(3,100)
Portability Income	0	0	0
Fraud Recovery	13,844	10,200	(3,644)
Other Inc-SPC AF	10,992	7,000	(3,992)
Other Inc-FSS Coord	61,388	61,692	304
Total Other Income	98,224	87,792	(10,432)
Total All HCV Income	1,517,673	1,648,792	131,119
Expenses:			
Administrative			
Salary	963,349	963,349	0
Legal	2,305	0	(2,305)
Training	5,183	5,200	17
Travel	13,740	13,700	(40)
Auditing Costs	25,840	28,000	2,160
Consulting	0	1,000	1,000
Utilities at 1470	7,548	11,500	3,952
Employee Benefits-Admin	383,115	468,292	85,177
Administrative Sundry			
Publications	2,704	1,500	(1,204)
Postage	22,661	23,200	539
Service Contracts	7,319	19,800	12,481
Miscellaneous	5,561	5,600	39
Equipment & Furniture	2,675	2,500	(175)
Storage	2,987	2,500	(487)
Dues	3,025	3,000	(25)
Phone - Vcom & DSL	18,983	19,156	173
Phone - Cell	1,717	2,297	580
Outside Printing	5,525	5,525	0
Supplies	11,443	9,490	(1,953)
City Overhead	31,756	26,200	(5,556)
Advertising	808	808	0
Copier Reproduction	5,865	5,185	(680)
General			
Insurance	31,028	15,706	(15,322)
Liability Ins -City	21,659	15,800	(5,859)
Workers' Compensation	14,695	15,970	1,275
Portability Adm Fee Paid	5,372	6,771	1,399
Total Admin/General Expenses	1,596,863	1,672,049	75,186
Net Administrative Income/(Loss)	(79,190)	(23,257)	55,933
Housing Assistance Payments			
HAP Subsidy	13,741,164	14,512,272	771,108
Housing Assistance Payments	13,741,164	14,512,272	771,108
Unused HAP Balance	-	0	-