



Meeting Date: May 10, 2011

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 *CS* Agenda Item No. I-6
 Reviewed By: City Manager *CS* City Attorney *DA* Finance *CF* Other _____

DATE: April 28, 2011
TO: Housing Authority Board of Commissioners
FROM: William E. Wilkins, Housing Director
 Housing Authority *[Signature]*
SUBJECT: Low Rent Public Housing Budget Revision

RECOMMENDATION

That the Board of Commissioners of the Housing Authority of the City of Oxnard ("Authority") adopt a resolution approving and adopting a revision to the Low Rent Public Housing program ("LRPH") budget for fiscal year 2011, as presented for each project area.

DISCUSSION

On June 15, 2010, the Board of Commissioners adopted a \$6,825,179 budget for the LRPH program for the 780 units owned and operated by the Authority. Included in that budget was \$11,381 for the write-off of bad debt expense from amounts due from ex-tenants. When projecting that expense, the criteria for identifying which accounts could be written-off was based on a provision in our Admissions and Continued Occupancy Policy ("ACOP") which states that if the debtor's whereabouts are unknown and the debt is more than two years old, the debt could be written-off. Subsequent to the adoption of the budget, but prior to the beginning of the fiscal year, the time frame for the debtor's whereabouts for that U.S Department of Housing and Urban Development ("HUD") approved criteria in the ACOP was shortened from two years to six months. The shorter time frame significantly changes the accounts eligible for write-off. It is important to write-off eligible ex-tenant debts in a timely manner because HUD scores each Public Housing project on the amount of outstanding receivable amounts.

In January 2008 the Board adopted a resolution designating the Housing Finance Officer to approve bad debt write-offs up to the amount approved in the budgets adopted by the Board of Commissioners. It is important to note that pursuant to the ACOP, once written-off, the Housing Authority does not forgive the debt; rather the debt is assigned for further collection efforts (i.e. collection agency, etc.) which often results in more successful collection. Any funds collected on previously written-off accounts offset bad debt expenses in the year of collection.

Accordingly, to more accurately reflect the amount of accounts deemed uncollectible, staff proposes to increase the bad debt expense budget to \$41,674, an increase of \$30,293.

FINANCIAL IMPACT

The overall LRPH budget would increase from \$6,825,179 to \$6,855,472 and the total net income for the overall Public Housing program would decrease from \$231,915 to \$201,622. Any future collection of those written-off amounts would offset the expense in the year of collection.

Attachment: 1 – Resolution
2 – Recommended project level budget revisions

HOUSING AUTHORITY OF THE CITY OF OXNARD
RESOLUTION NO.

**RESOLUTION APPROVING AND ADOPTING A REVISION TO THE LOW RENT
PUBLIC HOUSING PROGRAM OPERATING BUDGET FOR FISCAL YEAR 2011**

WHEREAS, the Housing Authority of the City of Oxnard (Authority) has prepared a revision to the Low Rent Public Housing Program Operating Budgets now totaling \$6,855,472 for the fiscal year 2011; 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 2011 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 Low Rent Public Housing Program Operating Budgets (Operating Budgets) for the fiscal year 2011 totaling \$6,855,472 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 Budgets are serving in a variety of positions which will exceed 100% allocation of his/her time.

APPROVED AND ADOPTED this 3rd day of May 2011, by the following vote:

AYES:

NOES:

ABSENT:

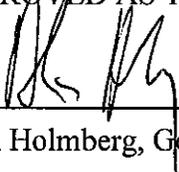
Dr. Thomas E. Holden, Chairman

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Resolution
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ATTEST:

Daniel Martinez, Secretary Designate

APPROVED AS TO FORM:



Alan Holmberg, General Counsel

**OXNARD HOUSING AUTHORITY
LRPH PROGRAM - PROJECT BASED
FY 2011 PROPOSED BUDGET REVISION**

	Bad Debt - Tenant Rents	Add'l Proposed Bad Debt Expense	Total Proposed Bad Debt Expense	ORIGINAL TOTAL PROJECT EXPENSES	PROPOSED NEW TOTAL PROJECT EXPENSES
31-1 - Colonia Vlg	2,102	3,109	5,211	1,559,159	1,562,268
31-2 - Felicia Ct.	0	0	0	647,770	647,770
31-3 - Colonia Rd.	0	509	509	516,583	517,092
31-4 - Pleasant Valley	236	5,710	5,946	718,461	724,171
31-5 - Plaza Vista Sr.	4,493	11,595	16,088	303,722	315,317
31-7 - Scattered Sites	3,331	6,527	9,858	747,853	754,380
31-8 - Palm Vista Sr.	1,219	2,843	4,062	663,333	666,176
Central Office LRPH Admin	0	0	0	1,668,298	1,668,298
Total Budget	11,381	30,293	41,674	6,825,179	6,855,472

