



Meeting Date: June/14/2011

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 *Sabatini* Agenda Item No. **I-23**  
 Reviewed By: City Manager *[Signature]* City Attorney *SMF* Finance *[Signature]* Other \_\_\_\_\_

**DATE:** June 2, 2011  
**TO:** Housing Authority Commission  
**FROM:** William E. Wilkins, Housing Director  
 Housing Department *[Signature]*  
**SUBJECT:** Section 8 Housing Choice Voucher Program Budget for Fiscal Year 2012

**RECOMMENDATION**

That the Board of Commissioners of the Housing Authority of the City of Oxnard adopt a resolution approving and adopting the recommended \$17,484,249 operating budget for the Section 8 Housing Choice Voucher Program ("Section 8") for fiscal year 2012.

**DISCUSSION**

This recommended budget pertains exclusively to the 1684 Housing Choice Vouchers administered by the City of Oxnard Housing Authority ("OHA"). The recommended operating budget of \$17,484,249 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 \$15,897,639 for rental subsidies passed directly through the OHA from the Department of Housing and Urban Development ("HUD") to the private landlords in the community. Rental subsidies are known as housing assistance payments. The administrative operations are estimated to be approximately \$1,586,610, which is anticipated to break even.

The process of developing the fiscal year 2012 budget was difficult for several reasons. Congress and HUD allocate funding based upon a calendar year, as opposed to the Housing Authority fiscal year. Since the Congressional process for calendar year 2012 is unknown at this time, the 2011 funding methodology will be used to estimate revenues for the entire fiscal year for budget purposes. That, however, is still difficult because the final calculations for calendar year 2011 have not yet been published by HUD. At this time, the best information we have available is that HAP funding will be provided at approximately 99% of what we are eligible for based upon the eligibility calculations established in the Congressional Appropriations. The Administrative Fee funding for operations is expected to be provided at 79% of eligibility. This low proration of administrative funding makes the

budget process difficult because it represents a 13% decrease from calendar year 2010's funding compounded by the notice coming so late in the year. While the 79% proration is anticipated for calendar year 2011, calendar year-to-date we have been funded at last year's levels which was 92%, so the overfunding received January 2011-June 2011 will be deducted from the payments in the second half of the year. Additionally, since administrative fees are based upon the number of units leased, lease-up rates become critically important. Current HAP funding, based on average HAP costs per unit, would only support approximately 1,665 units to be leased of the allocated 1684, leaving the OHA with about 20 unfunded units. Staff, however, continues to work diligently to optimize the number of units leased with the given funding and provide assistance to the maximum number of families possible.

The Authority must carefully manage available administrative funds to remain within budget and provide quality services to our clientele. The Authority has maintained expense levels at approximately the same level as was provided in the prior year, with two exceptions. The first exception is in salaries and benefits. There is anticipated to be a reduction of approximately \$175,000 in Total Administrative Salaries. That is primarily due to one senior housing specialist being moved into the Public Housing Program. Additionally, some minor staff changes have been made over the course of the current year that resulted in savings from the fiscal year 2010 budget. The second exception is due to the FY 2011 including approximately \$45,000 for small office equipment replacement (computers, filing cabinets and a network server) which was not included in the proposed budget.

The proposed administrative and HAP budgets are break-even, showing no net income or loss.

## **FINANCIAL IMPACT**

As of March 31, 2011, the Authority's Section 8 administrative operating reserve has a balance of \$797,424. It is not anticipated that the Housing Authority will require the use of any administrative reserves in fiscal year 2012.

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 2012**

WHEREAS, the Housing Authority of the City of Oxnard (Authority) has prepared a Section 8 Housing Choice Voucher Program Operating Budget of \$17,484,249 for the fiscal year 2012; 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 2012 indicates a source of funding adequate to cover all proposed expenditures; and

WHEREAS, the budgeted 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 2012 totaling \$17,484,249 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 14th day of June 2011, by the following vote:

AYES:

NOES:

ABSENT:

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Dr. Thomas E. Holden, Chairman

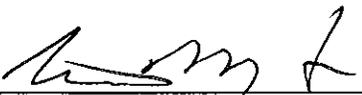
Fiscal Year 2012 Section 8 Budget  
Resolution  
Page Two

ATTEST:

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Daniel Martinez, Secretary Designate

APPROVED AS TO FORM:



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Alan Holmberg, General Counsel

**OXNARD HOUSING AUTHORITY  
SECTION 8 HOUSING CHOICE VOUCHERS  
PROPOSED FY 2012 BUDGET**

	Administrative Budget	Housing Asst Payment Budget	Total Budget
<b>INCOME</b>			
<b>GRANT INCOME</b>			
HAP Income		15,865,639	15,865,639
Admin Fee Income	1,557,810		1,557,810
FSS Grant Income			0
<b>TOTAL GRANT INCOME</b>	<b>1,557,810</b>	<b>15,865,639</b>	<b>17,423,449</b>
<b>OTHER INCOME</b>			
Investment Income - Unrestricted	3,800		3,800
Investment Income - Restricted		7,000	7,000
Fraud Recovery-Adm Fee	25,000		25,000
Fraud Recovery-HAP		25,000	25,000
<b>TOTAL OTHER INCOME</b>	<b>28,800</b>	<b>32,000</b>	<b>60,800</b>
<b>TOTAL INCOME</b>	<b>1,586,610</b>	<b>15,897,639</b>	<b>17,484,249</b>
<b>EXPENSES</b>			
<b>ADMINISTRATIVE</b>			
<b>Administrative Salaries</b>			
Administrative Salaries	897,482		897,482
Administrative Temp Help	27,560		27,560
Employee Benefit Contribution-Admin	409,279		409,279
<b>Total Administrative Salaries</b>	<b>1,334,321</b>		<b>1,334,321</b>
<b>Other Admin Expenses</b>			
Staff Training	4,000		4,000
Travel	6,000		6,000
Auditing Fees	30,000		30,000
Port Out Admin Fee Paid	11,000		11,000
Consultants	5,000		5,000
<b>Total Other Admin Expenses</b>	<b>56,000</b>		<b>56,000</b>
<b>Miscellaneous Admin Expenses</b>			
Membership and Fees	1,500		1,500
Publicatons	1,000		1,000
Advertising	1,000		1,000
Office Supplies	4,000		4,000
Fuel-Administrative	2,400		2,400
City Overhead	35,360		35,360
Telephone	17,325		17,325
Postage	20,000		20,000
Paper	3,600		3,600
Copiers	7,000		7,000
Printer Supplies/Services	7,000		7,000
Internet	1,853		1,853
Software Fees	10,500		10,500
Cell Phones/Pagers	1,800		1,800
Small Office Equipment	3,000		3,000
Bank Fees	2,000		2,000
Other Misc Admin Expenses	1,000		1,000
Storage	6,000		6,000
<b>Total Miscellaneous Admin Expenses</b>	<b>126,338</b>		<b>126,338</b>
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>1,516,659</b>		<b>1,516,659</b>
<b>UTILITIES</b>			
Water	300		300
Electricity	11,000		11,000
Gas	700		700
Garbage/Trash Removal	700		700
Sewer	150		150
<b>TOTAL UTILITY EXPENSES</b>	<b>12,850</b>		<b>12,850</b>

**OXNARD HOUSING AUTHORITY  
SECTION 8 HOUSING CHOICE VOUCHERS  
PROPOSED FY 2012 BUDGET**

	Administrative Budget	Housing Asst Payment Budget	Total Budget
<b>MAINTENANCE AND OPERATIONS</b>			
General Maint Expense			
Maintenance Salaries	500		500
Maintenance Labor-Grounds	4,500		4,500
Employee Benefits Contribution-Maint.	600		600
Maintenance Uniforms	600		600
Vehicle Gas, Oil, Grease	20		20
<b>Total General Maint Expense</b>	<b>6,220</b>		<b>6,220</b>
<b>Materials</b>			
Supplies-Paint	300		300
Supplies-Grounds	200		200
Supplies-Appliance	150		150
Supplies-Locks	100		100
Supplies-Janitorial/Cleaning	750		750
Supplies-Safety	350		350
<b>Total Materials</b>	<b>1,850</b>		<b>1,850</b>
<b>Contract Costs</b>			
Contract-Fire Alarm/Extingulsher	200		200
Contract-Building Repairs-Misc FFS	2,000		2,000
Contract-Painting	1,000		1,000
Contract-Electrical	200		200
Contract-Floor Covering	400		400
Contract-Janitorial/Cleaning	3,000		3,000
Contract-Plumbing	100		100
Contract-HVAC	750		750
Contract-Vehicle Maintenance	1,500		1,500
Contract-Alarm Monitoring	2,000		2,000
Contract Costs-Other	2,000		2,000
<b>Total Contract Costs</b>	<b>13,150</b>		<b>13,150</b>
<b>TOTAL MAINTENANCE EXPENSE</b>	<b>21,220</b>		<b>21,220</b>
<b>GENERAL EXPENSES</b>			
WC Insurance	9,500		9,500
Auto Insurance	2,500		2,500
Property Insurance	1,200		1,200
General Liability Insurance	7,000		7,000
Fidelity	110		110
City-Umbrella Policy	14,645		14,645
Broker Fees	926		926
<b>TOTAL GENERAL EXPENSES</b>	<b>35,881</b>		<b>35,881</b>
<b>HOUSING ASSISTANCE PAYMENTS</b>			
Housing Assistance Payments		15,661,289	15,661,289
Tenant Utility Payments		26,850	26,850
Portable Out HAP Payments		153,400	153,400
FSS Escrow Payments		56,100	56,100
<b>TOTAL HOUSING ASSISTANCE PAYMENTS</b>		<b>15,897,639</b>	<b>15,897,639</b>
<b>TOTAL EXPENSES</b>	<b>1,586,610</b>	<b>15,897,639</b>	<b>17,484,249</b>
<b>NET INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>