



Meeting Date: June/16/2009

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-5

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

DATE: June 4, 2009

TO: Housing Authority Commission

FROM: William E. Wilkins, Housing Director
Housing Department *[Signature]*

SUBJECT: Section 8 Housing Choice Voucher Program Budget for Fiscal Year 2010

RECOMMENDATION

That the Board of Commissioners of the Housing Authority of the City of Oxnard adopt a resolution approving and adopting the recommended \$16,748,061 operating budget for the Section 8 Housing Choice Voucher Program ("Section 8") for fiscal year 2010.

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 \$15,019,083 for rental subsidies passed directly through from the Department of Housing and Urban Development ("HUD") to the private landlords in the community. Rental subsidies are known as housing assistance payments ("HAP"). The administrative fee operations are estimated to be approximately \$1,728,978, which is anticipated to produce a residual receipt of approximately \$20,198.

The process of developing the fiscal year 2010 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 2010 is unknown at this time, the 2009 funding methodology will be used to estimate revenues for the entire fiscal year for budget purposes. An additional difficulty in the budget process is that the 2009 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, and, therefore, lease-up rates changes nationwide will affect the proration throughout the year. The current funding proration has been announced at 91.5% of eligibility. Should the announced

percentage at any given time be higher than this rate; administrative revenues will be higher than anticipated. Additionally, since administrative fees are based upon the number of units leased, should the HAP funding for rental subsidies not be adequate to lease our maximum number of units, the potential exists that the administrative fees would decline. 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 reduced some expense line items where known savings are anticipated or has made minimal adjustment to bring the budget closer to anticipated costs. An increase in administrative salaries and employee benefits budget is primarily a result of the utilization of an additional Housing Inspector to accommodate the stringent HUD inspection requirements.

The resulting budget leaves an administrative operating income of \$20,198.

The Housing Assistance Payments funding was calculated to be \$15,271,295 for the calendar year 2009, however Congressional Appropriations required HUD to recapture unspent amounts of HAP from prior years. Unspent HAP is retained in a HAP reserves and may only be spent on HAP payments. It cannot be utilized for any other purpose. Unspent HAP has accumulated to approximately \$1.9 million as of December 31, 2008 per HUD calculations. This recapture will be done through an offset in the monthly payments due to the OHA for current HAP funding. HUD proposes to offset our 2009 funding by \$1.1 million. The OHA, therefore, must utilize those unspent HAP reserves in the current year rather than receiving the total eligible funding to support current leasing levels and continue to assist the maximum number of families. Staff estimates that HAP reserve balances are adequate to maintain current leasing levels.

FINANCIAL IMPACT

As of March 31, 2009, the Authority's Section 8 administrative operating reserve has a balance of \$196,734. It is not anticipated that the Housing Authority will require the use of any administrative reserves in fiscal year 2010. HAP reserves, however, will be utilized to support maximum leasing levels to the extent possible in accordance with the eligible use of those funds, not to exceed \$1.9 million.

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 2010**

WHEREAS, the Housing Authority of the City of Oxnard (Authority) has prepared a Section 8 Housing Choice Voucher Program Operating Budget of \$16,748,061 for the fiscal year 2010; 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 2010 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 2010 totaling \$16,748,061 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 16th day of June 2009, by the following vote:

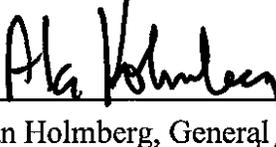
AYES:
NOES:
ABSENT:

Dr. Thomas E. Holden, Chairman

ATTEST:

Daniel Martinez, Secretary Designate

APPROVED AS TO FORM:



Alan Holmberg, General Counsel

OXNARD HOUSING AUTHORITY
RECOMMENDED BUDGET FOR FISCAL YEAR 2009 - 2010

Housing Choice Voucher Program	Budget FY2009	Recommended Budget FY2010	Change
INCOME			
GRANT INCOME			
S8 Admin Fee Income	1,561,000	1,729,476	168,476
S8 FSS Grant Income	61,692		(61,692)
Other Gov't Grants-SPC AF	7,000	5,500	(1,500)
TOTAL GRANT INCOME	1,629,692	1,734,976	105,284
OTHER INCOME			
Investment Income-Unrestricted	8,900	4,000	(4,900)
Fraud Recovery	10,200	10,200	0
TOTAL OTHER INCOME	19,100	14,200	(4,900)
TOTAL INCOME	1,648,792	1,749,176	100,384
EXPENSES			
ADMINISTRATIVE			
Administrative Salaries	963,349	997,501	34,152
Employee Benefit Contribution-Admin	468,292	479,684	11,392
Staff Training	5,200	10,000	4,800
Travel	13,700	13,700	0
Auditing Fees	28,000	29,580	1,580
Port Out Admin Fee Paid	6,771	3,800	(2,971)
Consultants	1,000	15,000	14,000
Membership and Fees	3,000	3,200	200
Publications	1,500	900	(600)
Advertising	808	300	(508)
Office Supplies	9,490	5,600	(3,890)
Fuel-Administrative	0	2,000	2,000
City Overhead	26,200	25,626	(574)
Telephone	17,551	16,500	(1,051)
Postage	23,200	25,500	2,300
Paper	0	4,300	4,300
Copiers	5,185	8,263	3,078
Printer Supplies/Services	5,525	11,000	5,475
Internet	1,605	1,700	95
Software Fees	7,800	10,300	2,500
Cell Phones/Pagers	2,297	2,000	(297)
Small Office Equipment	2,500	1,200	(1,300)
Other Misc Admin Expenses	5,600	2,800	(3,000)
Storage	2,500	4,000	1,500
Other Tenant Svcs.	0	700	700
Water	1,155	400	(755)
Electricity	9,712	10,300	588
Gas	633	600	(33)
Garbage/Trash Removal	0	700	700
Sewer	0	300	300
Maintenance Salaries	0	200	200
Supplies-Electrical	0	200	200
Supplies-Locks	0	300	300
Contract-Floor Covering	0	400	400
Contract-Vehicle Maintenance	0	1,400	1,400
Contract-Equipment Repair	0	300	300
Contract Costs-Other	12,000	0	(12,000)
WC Insurance	15,970	7,440	(8,530)
Auto Insurance	1,624	6,000	4,376
Property Insurance	1,379	1,120	(259)
General Liability Insurance	11,360	8,416	(2,944)
Fidelity	110	110	0
City-Umbrella Policy	15,800	14,646	(1,154)
Broker Fees	1,233	1,192	(41)
TOTAL ADMIN/GEN EXPENSES	1,672,049	1,728,978	56,929
NET INCOME	(23,257)	20,198	43,455
Housing Assistance Payments			
HAP Subsidy	14,512,272	15,019,083	506,811
Housing Assistance Payments	14,512,272	15,019,083	506,811
Unused HAP Balance	-	0	-