



Meeting Date: June/15/2010

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 *[Signature]* Agenda Item No. I-16
 Reviewed By: City Manager *[Signature]* City Attorney *[Signature]* Finance *[Signature]* Other _____

DATE: June 4, 2010

TO: Housing Authority Commission

FROM: William E. Wilkins, Housing Director
Housing Department

SUBJECT: Section 8 Housing Choice Voucher Program Budget for Fiscal Year 2011

RECOMMENDATION

That the Board of Commissioners of the Housing Authority of the City of Oxnard adopt a resolution approving and adopting the recommended \$17,908,492 operating budget for the Section 8 Housing Choice Voucher Program ("Section 8") for fiscal year 2011.

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 of \$17,908,492 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 \$16,086,366 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 \$1,822,126, which is anticipated to produce a residual receipt of approximately \$32,928.

The process of developing the fiscal year 2011 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 2011 is unknown at this time, the 2010 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 2010 appropriation 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 administrative fee funding proration has been announced at 90.12% 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 maintained expense levels at approximately the same level as was provided in the prior year. The line item for small office equipment is proposed to include funding for several items: filing cabinets, the replacement of computers, and the replacement of a network server for the building. Due to the addition of these proposed items, the budget line item was increased by approximately \$45,000. The equipment scheduled to be replaced is very old and out of date. The program was not economically able to replace them in prior years.

The resulting budget leaves an administrative operating income of \$32,928.

The Housing Assistance Payments funding was calculated to be \$16,046,496 for the calendar year 2010. Staff estimates that HAP funding will be adequate to maintain leasing levels up to the baseline of 1,659 units.

FINANCIAL IMPACT

As of March 31, 2010, the Authority's Section 8 administrative operating reserve has a balance of \$344,047. It is not anticipated that the Housing Authority will require the use of any administrative reserves in fiscal year 2011.

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 2011**

WHEREAS, the Housing Authority of the City of Oxnard (Authority) has prepared a Section 8 Housing Choice Voucher Program Operating Budget of \$17,908,492 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 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 2011 totaling \$17,908,492 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 15th day of June 2010, by the following vote:

AYES:

NOES:

ABSENT:

Dr. Thomas E. Holden, Chairman

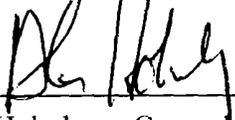
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Fiscal Year 2011 Section 8 Budget
Resolution
Page Two

ATTEST:

Daniel Martinez, Secretary Designate

APPROVED AS TO FORM:



Alan Holmberg, General Counsel

ATTACHMENT # 2
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**OXNARD HOUSING AUTHORITY
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM
FY 2011 PROPOSED BUDGET**

	Administrative Budget	Housing Asst Payment Budget	Total Budget
INCOME			
GRANT INCOME			
HAP Income		16,046,496	16,046,496
Admin Fee Income	1,749,728		1,749,728
FSS Grant Income	66,993		66,993
TOTAL GRANT INCOME	1,816,721	16,046,496	17,863,217
OTHER INCOME			
Investment Income - Unrestricted	1,903		1,903
Investment Income - Restricted		3,440	3,440
Fraud Recovery-Adm Fee	36,430		36,430
Fraud Recovery-HAP		36,430	36,430
TOTAL OTHER INCOME	38,333	39,870	78,203
TOTAL INCOME	1,855,054	16,086,366	17,941,420
EXPENSES			
ADMINISTRATIVE			
Administrative Salaries			
Administrative Salaries	997,501		997,501
Administrative Temp Help	27,800		27,800
Employee Benefit Contribution-Admin	488,775		488,775
Total Administrative Salaries	1,514,076		1,514,076
Other Admin Expenses			
Staff Training	10,000		10,000
Travel	13,700		13,700
Auditing Fees	28,560		28,560
Port Out Admin Fee Paid	10,400		10,400
Consultants	15,000		15,000
Total Other Admin Expenses	77,660		77,660
Miscellaneous Admin Expenses			
Membership and Fees	1,700		1,700
Publications	1,100		1,100
Advertising	300		300
Office Supplies	4,700		4,700
Fuel-Administrative	2,400		2,400
City Overhead	32,051		32,051
Telephone	18,900		18,900
Postage	25,000		25,000
Paper	3,600		3,600
Copiers	11,600		11,600
Printer Supplies/Services	7,400		7,400
Internet	1,600		1,600
Software Fees	13,450		13,450
Cell Phones/Pagers	2,000		2,000
Small Office Equipment	46,150		46,150
Bank Fees	141		141
Cable Charges	58		58
Other Misc Admin Expenses	1,000		1,000
Storage	5,000		5,000
Total Miscellaneous Admin Expenses	178,150		178,150
TOTAL ADMINISTRATIVE EXPENSES	1,769,886		1,769,886
TENANT SERVICES			
Other Tenant Svcs.	700		700
TOTAL TENANT SERVICES EXPENSES	700		700

**OXNARD HOUSING AUTHORITY
SECTION 8 HOUSING CHOICE VOUCHER PROGRAM
FY 2011 PROPOSED BUDGET**

	Administrative Budget	Housing Asst Payment Budget	Total Budget
UTILITIES			
Water	300		300
Electricity	10,400		10,400
Gas	500		500
Garbage/Trash Removal	700		700
Sewer	200		200
TOTAL UTILITY EXPENSES	12,100		12,100
MAINTENANCE AND OPERATIONS			
General Maint Expense			
Maintenance OT	500		500
Maintenance Uniforms	500		500
Total General Maint Expense	1,000		1,000
Materials			
Supplies-Paint	300		300
Supplies-Safety	200		200
Total Materials	500		500
Contract Costs			
Contract-Building Repairs-Misc FFS	300		300
Contract-Janitorial/Cleaning	100		100
Contract-Vehicle Maintenance	900		900
Contract-IT Contracts	1,700		1,700
Total Contract Costs	3,000		3,000
TOTAL MAINTENANCE EXPENSE	4,500		4,500
GENERAL EXPENSES			
WC Insurance	8,443		8,443
Auto Insurance	2,651		2,651
Property Insurance	1,190		1,190
General Liability Insurance	6,995		6,995
Fidelity	110		110
City-Umbrella Policy	14,645		14,645
Broker Fees	906		906
TOTAL GENERAL EXPENSES	34,940		34,940
HOUSING ASSISTANCE PAYMENTS			
Housing Assistance Payments		15,844,266	15,844,266
Tenant Utility Payments		23,500	23,500
Portable Out HAP Payments		147,400	147,400
FSS Escrow Payments		71,200	71,200
TOTAL HOUSING ASSISTANCE PAYMENTS		16,086,366	16,086,366
TOTAL EXPENSES	1,822,126	16,086,366	17,908,492
NET INCOME	32,928	0	32,928