



Meeting Date: 06 / 19 / 12

| 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 *CSabatini* Agenda Item No. T-9
 Reviewed By: City Manager *JSB* City Attorney *PA* Finance *CF* Other (Specify) _____

DATE: June 7, 2012

TO: Housing Authority Board of Commissioners

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

SUBJECT: Section 8 Housing Choice Voucher Program Budget for Fiscal Year 2013

RECOMMENDATION

That the Board of Commissioners of the Housing Authority of the City of Oxnard 1) adopt a resolution approving and adopting the recommended \$17,469,034 operating budget for the Section 8 Housing Choice Voucher Program ("Section 8") for fiscal year 2013; and 2) approve and authorize the use of \$111,862 of administrative reserves to fund the projected deficit.

DISCUSSION

This recommended budget pertains exclusively to the 1,684 Housing Choice Vouchers administered by the City of Oxnard Housing Authority ("OHA"). The recommended operating budget of \$17,469,034 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 \$15,716,772 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 \$1,752,262, which is anticipated to result in a deficit of \$111,862.

The process of developing the fiscal year 2013 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 2013 is unknown at this time, the 2012 funding methodology will be used to estimate revenues for the entire fiscal year for budget purposes. At this time, the best information we have available is that HAP funding will be provided at approximately 99.6% 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 80% of eligibility. 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 1,662 units to be leased of the allocated 1,684, leaving the OHA with about 22 unfunded units. Staff, however, continues to work diligently to

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 the increase of Total Administrative Salaries by \$130,000 due to the addition of a Senior Housing Specialist to the division and the inclusion of the Section 8 portion of the Applications. The second exception is the inclusion of approximately \$38,700 in asset purchases for building fascia repairs, a security system and minor office equipment purchases.

The proposed administrative budget results in a deficit of \$111,862 and the HAP budget shows break-even.

FINANCIAL IMPACT

As of March 31, 2012, the Authority's Section 8 administrative operating reserve has a balance of \$808,408. It is anticipated that the Housing Authority will require the use of approximately \$111,862 in administrative reserves in fiscal year 2013.

CS

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 2013**

WHEREAS, the Housing Authority of the City of Oxnard (Authority) has prepared a Section 8 Housing Choice Voucher Program Operating Budget of \$17,469,034 for the fiscal year 2013; 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 2013 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 2013 totaling \$17,469,034 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 19th day of June 2012, by the following vote:

AYES:
NOES:
ABSENT:

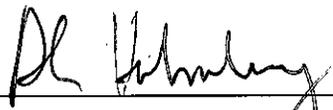
Dr. Thomas E. Holden, Chairman

Fiscal Year 2013 Section 8 Budget
Resolution
Page Two

ATTEST:

Daniel Martinez, Secretary Designate

APPROVED AS TO FORM:



Alan Holmberg, General Counsel

**OXNARD HOUSING AUTHORITY
SECTION 8 HOUSING CHOICE VOUCHERS
PROPOSED FY 2013 BUDGET**

| | Administrative Budget | Housing Asst Payment Budget | Total Budget |
|--------------------------------------|--------------------------|-----------------------------------|-------------------|
| INCOME | | | |
| GRANT INCOME | | | |
| HAP Income | | 15,672,372 | 15,672,372 |
| Admin Fee Income | 1,596,000 | | 1,596,000 |
| TOTAL GRANT INCOME | 1,596,000 | 15,672,372 | 17,268,372 |
| OTHER INCOME | | | |
| Investment Income - Unrestricted | 2,400 | | 2,400 |
| Investment Income - Restricted | | 2,400 | 2,400 |
| Fraud Recovery-Adm Fee | 42,000 | | 42,000 |
| Fraud Recovery-HAP | | 42,000 | 42,000 |
| Misc Other Income | | | 0 |
| TOTAL OTHER INCOME | 44,400 | 44,400 | 88,800 |
| TOTAL INCOME | 1,640,400 | 15,716,772 | 17,357,172 |
| EXPENSES | | | |
| ADMINISTRATIVE | | | |
| Administrative Salaries | | | |
| Administrative Salaries | 985,142 | | 985,142 |
| Employee Benefit Contribution-Admin | 479,161 | | 479,161 |
| Total Administrative Salaries | 1,464,303 | | 1,464,303 |
| Other Admin Expenses | | | |
| Staff Training | 4,000 | | 4,000 |
| Travel | 6,000 | | 6,000 |
| Auditing Fees | 30,000 | | 30,000 |
| Port Out Admin Fee Paid | 6,000 | | 6,000 |
| Consultants | 5,000 | | 5,000 |
| Total Other Admin Expenses | 51,000 | | 51,000 |
| Miscellaneous Admin Expenses | | | |
| Membership and Fees | 1,800 | | 1,800 |
| Publications | 500 | | 500 |
| Advertising | 1,000 | | 1,000 |
| Office Supplies | 4,000 | | 4,000 |
| Fuel-Administrative | 2,750 | | 2,750 |
| City Overhead | 42,850 | | 42,850 |
| Telephone | 15,250 | | 15,250 |
| Postage | 17,650 | | 17,650 |
| Paper | 2,550 | | 2,550 |
| Copiers | 2,450 | | 2,450 |
| Printer Supplies/Services | 6,500 | | 6,500 |
| Misc Computer Equipment | 2,000 | | 2,000 |
| Internet | 2,150 | | 2,150 |
| Software Fees | 12,000 | | 12,000 |

OXNARD HOUSING AUTHORITY
SECTION 8 HOUSING CHOICE VOUCHERS
PROPOSED FY 2013 BUDGET

| | Administrative Budget | Housing Asst Payment Budget | Total Budget |
|---|--------------------------|-----------------------------------|------------------|
| Cell Phones/Pagers | 1,200 | | 1,200 |
| Small Office Equipment | 2,000 | | 2,000 |
| Bank Fees | 2,000 | | 2,000 |
| Other Misc Admin Expenses | 1,000 | | 1,000 |
| Storage | 5,700 | | 5,700 |
| Total Miscellaneous Admin Expenses | 125,350 | | 125,350 |
| TOTAL ADMINISTRATIVE EXPENSES | 1,640,653 | | 1,640,653 |
| UTILITIES | | | |
| Water | 450 | | 450 |
| Electricity | 10,000 | | 10,000 |
| Gas | 400 | | 400 |
| Garbage/Trash Removal | 750 | | 750 |
| Sewer | 150 | | 150 |
| TOTAL UTILITY EXPENSES | 11,750 | | 11,750 |
| MAINTENANCE AND OPERATIONS | | | |
| General Maint Expense | | | |
| Maintenance Labor-Grounds | 4,500 | | 4,500 |
| Employee Benefits Contribution-Maint. | 630 | | 630 |
| Maintenance Uniforms | 600 | | 600 |
| Vehicle Gas, Oil, Grease | 150 | | 150 |
| Total General Maint Expense | 5,880 | | 5,880 |
| Materials | | | |
| Supplies-Paint | 300 | | 300 |
| Supplies-Grounds | 100 | | 100 |
| Supplies-Appliance | 50 | | 50 |
| Supplies-Plumbing | 100 | | 100 |
| Supplies-Locks | 100 | | 100 |
| Supplies-Janitorial/Cleaning | 800 | | 800 |
| Supplies-Safety | 350 | | 350 |
| Grounds Tools & Equipment | 50 | | 50 |
| Total Materials | 1,850 | | 1,850 |
| Contract Costs | | | |
| Contract-Fire Alarm/Extinguisher | 350 | | 350 |
| Contract-Building Repairs-Misc FFS | 2,000 | | 2,000 |
| Contract-Painting | 500 | | 500 |
| Contract-Electrical | 100 | | 100 |
| Contract-Floor Covering | 400 | | 400 |
| Contract-Janitorial/Cleaning | 9,400 | | 9,400 |
| Contract-Plumbing | 400 | | 400 |
| Contract-HVAC | 1,500 | | 1,500 |
| Contract-Vehicle Maintenance | 1,500 | | 1,500 |
| Contract-Equipment Repair | 50 | | 50 |

**OXNARD HOUSING AUTHORITY
SECTION 8 HOUSING CHOICE VOUCHERS
PROPOSED FY 2013 BUDGET**

| | Administrative Budget | Housing Asst Payment Budget | Total Budget |
|--|--------------------------|-----------------------------------|-------------------|
| Contract-Alarm Monitoring | 2,096 | | 2,096 |
| Total Contract Costs | 18,296 | | 18,296 |
| TOTAL MAINTENANCE EXPENSE | 26,026 | | 26,026 |
| GENERAL EXPENSES | | | |
| WC Insurance | 11,773 | | 11,773 |
| Auto Insurance | 1,800 | | 1,800 |
| Property Insurance | 950 | | 950 |
| General Liability Insurance | 6,300 | | 6,300 |
| Fidelity | 110 | | 110 |
| City-Umbrella Policy | 13,450 | | 13,450 |
| Broker Fees | 750 | | 750 |
| TOTAL GENERAL EXPENSES | 35,133 | | 35,133 |
| Asset Purchases | 38,700 | | 38,700 |
| HOUSING ASSISTANCE PAYMENTS | | | |
| Housing Assistance Payments | | 15,538,481 | 15,538,481 |
| Tenant Utility Payments | | 34,891 | 34,891 |
| Portable Out HAP Payments | | 75,300 | 75,300 |
| FSS Escrow Payments | | 68,100 | 68,100 |
| TOTAL HOUSING ASSISTANCE PAYMENTS | | 15,716,772 | 15,716,772 |
| TOTAL EXPENSES | 1,752,262 | 15,716,772 | 17,469,034 |
| NET INCOME | (111,862) | 0 | (111,862) |