



CITY COUNCIL
AGENDA REPORT

TYPE OF ITEM: Report

AGENDA ITEM NO.: 1

DATE: June 13, 2017

TO: Housing Authority

THROUGH: Greg Nyhoff
City Manager

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FROM: Arturo Casillas
Housing Director

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SUBJECT: Low Rent Public Housing Budget for Fiscal Year 2018 (5/10/10)

CONTACT: Arturo Casillas, Housing Director
Arturo.Casillas@oxnard.org, 385-8094

RECOMMENDATION:

That the Board of Commissioners of the Housing Authority of the City of Oxnard (1) adopt a resolution approving and adopting the recommended \$7,427,140 operating budget for the Low Rent Public Housing program ("LRPH") for fiscal year 2018, as presented for each project area and (2) approve and authorize the use of \$211,835 of unrestricted cash/investments to fund the projected deficit.

BACKGROUND

This recommended budget pertains exclusively to the 664 units of LRPH owned and operated by the City of Oxnard Housing Authority ("OHA"). The recommended operating budget for all projects and the Central Office Cost Center ("COCC") is \$7,427,140. The operating budgets, if adopted as recommended, would result in a collective \$256,586 residual receipt.

The public housing program continues to be subject to asset management regulations in fiscal year 2017 and therefore each public housing project, as determined in previous years (i.e. 31-1 Colonia Village, 31-4 Pleasant Valley Village, etc.), is funded and budgeted for independently, as is the Central Office Cost Center ("COCC").

The Low Rent Public Housing program (“LRPH”) is funded primarily with two sources of income: tenant rental income and operating subsidy from the U.S. Department of Housing and Urban Development (“HUD”). The amount of operating subsidy received is based upon a HUD determined formula, which considers the estimated costs to run each Public Housing development and reduces that by the amount of tenant rental income received by each development. So, as tenant rental income goes up, operating subsidy decreases and vice versa. An additional consideration in estimating the amount of operating subsidy each development may receive is based on the level of funding appropriated by Congress each year for the overall program. Operating subsidy for each year is appropriated on a calendar year basis. HUD subsidy for 2017 is estimated to be prorated at 92.9% of eligibility. Subsidy for 2018 is unknown as no federal budget has been adopted, so for purposes of the budgets, the proration of funding is estimated to be 90%; and we are projecting a decrease of approximately \$319,000 in operating subsidies, offset by an increase in tenant rent of \$517,000. Staff continues to work extremely hard to maximize tenant rent through rent ranging and placing tenants in properly sized units.

The COCC operates on HUD determined fee revenue generated from the projects including a management fee, a bookkeeping fee, and an asset management fee. Also included in the fee revenue to the COCC is a concept termed “fee-for-service” which is guided by HUD regulation. Under this arrangement, for certain specialized services where providing dedicated staff to each project is not practical, a centralized service is available to the projects, charged only as they are used (i.e. higher level carpentry, electrical, plumbing, etc.). Since these fees are classified as expenses to the projects and income to the COCC, on audited financial statements the income and expense for these items would be zeroed out so as not to be double counted. On this budget document, however, they are shown both places to clearly present the entire budget for each project and the COCC.

On the expense side, the majority of line items have decreased from prior year’s budget, adjusted to bring the budget closer to anticipated actual expenses and based upon actual experience over the past three years. Expenses have decreased due to lower than expected expenses for Colonia Village. Staff will continue to closely monitor the budgets of all project areas and the COCC to try to achieve additional cost savings.

STRATEGIC PRIORITIES

This agenda item supports the Quality of Life strategy. The purpose of the Quality of Life strategy is to build relationships and create opportunities within the community for safe and vibrant neighborhoods, which will showcase the promising future of Oxnard. This item supports the following goals and objectives:

Goal 2. Address homelessness through the development and implementation of a multi-tiered strategy.

Goal 3. Strengthen neighborhood development, and connect City, community and

Low Rent Public Housing Budget for FY 2018 (5/10/10)

June 13, 2017

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culture.

FINANCIAL IMPACT

In project areas that are expected to result in a deficit position, residual receipts from other project areas can be transferred to cover those losses at year end. However, residual receipts from project areas cannot be used to fund COCC deficits. Therefore, it is anticipated that the Housing Authority will require the use of approximately \$212,000 in COCC cash reserves in fiscal year 2018. As of April 30, 2017, the Authority's COCC Unrestricted Cash and Investments are approximately \$1,385,000 or 75% of annual operating costs.

ATTACHMENTS:

Attachment A: LRPH FY 18 Budget Resolution

Attachment B: LRPH Budget

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE
CITY OF OXNARD APPROVING AND ADOPTING THE LOW
RENT PUBLIC HOUSING PROGRAM OPERATING BUDGET
FOR FISCAL YEAR 2018

WHEREAS, the Housing Authority of the City of Oxnard (Authority) has prepared the Low Rent Public Housing Program Operating Budgets now totaling \$7,427,140 for the fiscal year 2018; 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 2018 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 2018 totaling \$7,427,140 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 is serving in a variety of positions which will exceed 100% allocation of his/her time.

APPROVED AND ADOPTED this 13th day of June 2017, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Tim Flynn, Chairman

ATTEST:

APPROVED AS TO FORM:

Michelle Ascencion, Secretary Designate

Stephen M. Fischer, General Counsel

ALL PUBLIC HOUSING AND COCC (.allpham)

Property Comparison

Period = Jul 2017-Jun 2018

PROPOSED BUDGET 2017-2018

	311	312	313	314	315	317	318	cocc	Total
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
2999-99-999 Revenue & Expenses									
3000-00-000 INCOME									
3100-00-000 TENANT INCOME									
3101-00-000 Rental Income									
3111-00-000 Tenant Rent	1,067,920	876,000	694,104	783,120	178,308	989,436	392,808	0	4,981,696
3119-00-000 Total Rental Income	1,067,920	876,000	694,104	783,120	178,308	989,436	392,808	0	4,981,696
3120-00-000 Other Tenant Income									
3120-01-000 Laundry and Vending	0	0	0	0	2,397	0	6,819	0	9,216
3120-02-000 Maintenance Charge	5,031	5,133	2,263	3,550	1,427	3,808	2,431	0	23,643
3120-04-000 Late Charges	250	100	100	350	75	150	100	0	1,125
3120-08-000 Cable Charges	15,000	10,120	7,129	9,911	4,995	10,135	10,088	0	67,378
3129-00-000 Total Other Tenant Income	20,281	15,353	9,492	13,811	8,894	14,093	19,438	0	101,362
3199-00-000 NET TENANT INCOME	1,088,201	891,353	703,596	796,931	187,202	1,003,529	412,246	0	5,083,058
3400-00-000 GRANT INCOME									
3401-00-000 HUD PHA Operating Grants/Subsidy	217,063	20,093	1,044	91,499	111,206	1,492	165,451	0	607,848
3499-00-000 TOTAL GRANT INCOME	217,063	20,093	1,044	91,499	111,206	1,492	165,451	0	607,848
3600-00-000 OTHER INCOME									
3610-00-000 Investment Income-Unrestricted	9,385	6,093	5,889	3,006	1,583	4,538	3,202	4,499	38,195
3620-00-000 Management Fee Income	0	0	0	0	0	0	0	780,440	780,440
3621-00-000 Asset Mgmt Fee Income	0	0	0	0	0	0	0	79,680	79,680
3622-00-000 Bookkeeping Fee Income	0	0	0	0	0	0	0	59,325	59,325
3623-00-000 Fee for Service Income	0	0	0	0	0	0	0	611,503	611,503
3624-00-000 IT Fees	0	0	0	0	0	0	0	9,096	9,096
3625-00-000 FFS income - outside party	0	0	0	0	0	0	0	38,549	38,549
3640-00-000 Fraud Recovery-Adm Fee	2,400	775	0	1,180	0	0	0	0	4,355
3650-00-000 Non-Dwelling Rental Income	0	0	0	53,681	0	0	0	42,467	96,148
3660-00-000 Operating Transfers IN	0	0	0	0	81,500	0	194,029	0	275,529
3699-00-000 TOTAL OTHER INCOME	11,785	6,868	5,889	57,867	83,083	4,538	197,231	1,625,559	1,992,820
3999-00-000 TOTAL INCOME	1,317,049	918,314	710,529	946,297	381,491	1,009,559	774,928	1,625,559	7,683,726
4000-00-000 EXPENSES									
4100-00-000 ADMINISTRATIVE									
4100-99-000 Administrative Salaries									
4110-00-000 Administrative Salaries	150,291	110,732	73,058	92,195	56,134	105,577	108,103	713,286	1,409,376

ALL PUBLIC HOUSING AND COCC (.allpham)

Property Comparison

Period = Jul 2017-Jun 2018

PROPOSED BUDGET 2017-2018

		311	312	313	314	315	317	318	cocc	Total
		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
4110-01-000	Administrative Temp Help	0	0	0	24,799	0	16,864	0	0	41,663
4110-04-000	Employee Benefit Contribution-Admin	90,809	71,509	44,143	56,556	37,242	66,251	74,293	399,885	840,688
4110-99-000	Total Administrative Salaries	241,100	182,241	117,201	173,550	93,376	188,692	182,396	1,113,171	2,291,727
4130-00-000	Legal Expense									
4130-01-000	Court Costs	0	673	0	95	42	0	42	0	852
4130-03-000	Tenant Screening	933	368	258	368	184	369	368	0	2,848
4130-04-000	General Legal Expense	275	832	0	0	0	0	0	0	1,107
4131-00-000	Total Legal Expense	1,208	1,873	258	463	226	369	410	0	4,807
4139-00-000	Other Admin Expenses									
4140-00-000	Staff Training	0	0	0	0	0	0	0	3,115	3,115
4150-00-000	Travel	0	0	0	0	0	0	0	2,532	2,532
4171-00-000	Auditing Fees	3,879	1,514	1,060	1,514	757	1,515	1,514	1,260	13,013
4173-01-000	Management Fee	130,090	89,860	63,478	90,163	44,981	90,523	90,062	0	599,157
4173-02-000	Asset Management Fees	17,280	12,000	8,400	12,000	6,000	12,000	12,000	0	79,680
4173-03-000	Bookkeeping Fees	12,870	8,910	6,285	8,920	4,450	8,980	8,910	0	59,325
4182-00-000	Consultants	0	0	0	0	0	0	0	271	271
4189-00-000	Total Other Admin Expenses	164,119	112,284	79,223	112,597	56,188	113,018	112,486	7,178	757,093
4190-00-000	Miscellaneous Admin Expenses									
4190-01-000	Membership and Fees	150	90	63	90	45	90	90	1,313	1,931
4190-02-000	Publications	84	45	32	45	22	44	45	273	590
4190-03-000	Advertising	1,041	722	506	722	447	722	894	0	5,054
4190-04-000	Office Supplies	833	582	390	421	165	537	338	2,091	5,357
4190-05-000	Fuel-Administrative	297	116	123	230	147	403	238	1,554	3,108
4190-06-000	City Overhead	7,301	5,708	4,081	6,064	2,600	8,523	5,102	34,598	73,977
4190-07-000	Telephone	4,519	2,411	1,836	4,006	5,935	4,051	7,324	16,280	46,362
4190-08-000	Postage	2,468	1,498	951	1,575	271	1,664	452	3,651	12,530
4190-09-000	Paper	585	302	211	255	83	265	165	1,283	3,149
4190-10-000	Copiers	1,749	1,089	-2,859	178	460	183	928	412	2,140
4190-11-000	Printer Supplies/Services	1,231	858	535	536	388	621	820	2,788	7,777
4190-12-000	Misc Computer Equipment	123	103	71	56	52	56	72	8,742	9,275
4190-13-000	Internet	949	553	387	1,410	1,487	1,409	1,489	3,197	10,881
4190-14-000	Software/Maintenance Fees	4,630	2,322	2,227	2,504	1,554	3,198	3,015	13,531	32,981
4190-15-000	Cell Phones/Pagers	663	423	349	259	129	533	261	5,220	7,837
4190-18-000	Small Office Equipment	276	715	105	401	329	362	328	273	2,789
4190-20-000	Bank Fees	0	0	0	0	0	0	0	3,861	3,861
4190-21-000	Cable Charges	15,207	10,560	7,392	10,560	5,280	10,560	10,560	0	70,119
4190-22-000	Other Misc Admin Expenses	186	100	76	141	27	133	55	746	1,464
4190-23-000	Storage	334	164	116	243	39	196	49	536	1,677
4191-00-000	Total Miscellaneous Admin Expenses	42,626	28,361	16,592	29,696	19,460	33,550	32,225	100,349	302,859
4199-00-000	TOTAL ADMINISTRATIVE EXPENSES	449,053	324,759	213,274	316,306	169,250	335,629	327,517	1,220,698	3,356,486

ALL PUBLIC HOUSING AND COCC (.allpham)

Property Comparison

Period = Jul 2017-Jun 2018

PROPOSED BUDGET 2017-2018

	311	312	313	314	315	317	318	cocc	Total
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
4200-00-000 TENANT SERVICES									
4220-00-000 Resident Council	1,634	1,336	945	1,310	661	1,323	1,323	0	8,532
4220-01-000 Other Tenant Svcs.-OHA	1,089	891	630	873	441	882	882	0	5,688
4230-00-000 Tenant Services Contract Costs	1,200	706	494	3,600	2,400	3,600	2,400	0	14,400
4299-00-000 TOTAL TENANT SERVICES EXPENSES	3,923	2,933	2,069	5,783	3,502	5,805	4,605	0	28,620
4300-00-000 UTILITIES									
4310-00-000 Water	78,696	48,175	42,459	51,347	9,754	71,082	24,301	1,723	327,537
4320-00-000 Electricity	12,468	9,176	5,680	17,530	30,498	20,266	53,097	18,560	167,275
4320-01-000 Electricity-Vacant Units	544	56	69	76	0	113	0	0	858
4330-00-000 Gas	372	151	106	1,407	11,589	640	24,212	569	39,046
4330-01-000 Gas-Vacant Units	1,236	138	47	131	0	103	0	0	1,655
4340-00-000 Garbage/Trash Removal	70,643	36,122	44,511	48,240	5,588	53,671	11,841	2,374	272,990
4340-01-000 Dump Expense	1,582	1,013	1,250	737	102	1,606	214	0	6,504
4390-00-000 Sewer	77,141	40,907	33,554	37,560	9,545	46,571	20,709	646	266,633
4399-00-000 TOTAL UTILITY EXPENSES	242,682	135,738	127,676	157,028	67,076	194,052	134,374	23,872	1,082,498
4400-00-000 MAINTENANCE AND OPERATIONS									
4400-99-000 General Maint Expense									
4410-00-000 Maintenance Salaries	37,986	37,986	33,461	40,664	11,724	42,310	23,448	170,119	397,698
4410-01-000 Maintenance Labor-Grounds	17,420	12,098	8,468	37,986	5,386	50,128	12,209	6,217	149,912
4410-02-000 Maint-On Call Service	0	0	0	0	0	0	0	4,906	4,906
4410-03-000 Maintenance - Temporary Labor	0	0	0	0	0	0	0	47,112	47,112
4410-04-000 Maintenance OT	0	0	0	0	0	0	0	48,000	48,000
4410-05-000 Grounds - OT	5,475	5,296	4,630	9,861	0	16,676	8,979	3,077	53,994
4410-06-000 Employee Benefits Contribution-Maint.	35,160	31,782	26,038	48,713	10,857	57,664	22,627	107,732	340,573
4411-00-000 Maintenance Uniforms	535	325	217	363	113	354	251	2,381	4,539
4413-00-000 Vehicle Gas, Oil, Grease	2,853	1,731	1,529	1,692	439	2,501	1,014	8,381	20,140
4419-00-000 Total General Maint Expense	99,429	89,218	74,343	139,279	28,519	169,633	68,528	397,925	1,066,874
4420-00-000 Materials									
4420-01-000 Supplies-Paint	6,759	3,055	567	2,189	617	2,948	609	422	17,166
4420-02-000 Supplies-Grounds	1,840	888	321	1,839	73	2,986	338	1,333	9,618
4420-03-000 Supplies-Appliance	3,415	3,232	2,804	3,954	1,489	2,033	1,756	46	18,729
4420-04-000 Supplies-Plumbing	11,191	7,148	6,587	9,901	1,982	6,019	6,236	70	49,134
4420-05-000 Supplies-Electrical	3,384	3,462	3,606	7,516	455	3,220	2,350	482	24,475
4420-06-000 Supplies-Building Repairs	9,349	10,031	5,313	3,382	1,538	2,719	2,485	341	35,158
4420-07-000 Supplies-Windows	1,309	777	384	4,013	1,448	1,835	70	473	10,309
4420-08-000 Supplies-Locks	1,373	991	3,429	665	964	231	337	324	8,314
4420-09-000 Supplies-Janitorial/Cleaning	2,995	1,435	782	3,399	1,797	1,294	2,452	5,331	19,485

ALL PUBLIC HOUSING AND COCC (.allpham)

Property Comparison

Period = Jul 2017-Jun 2018

PROPOSED BUDGET 2017-2018

		311	312	313	314	315	317	318	cocc	Total
		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
4420-10-000	Supplies-Safety	1,268	672	624	1,209	752	588	1,167	2,495	8,775
4420-11-000	Tools and Equipment	1,068	711	899	629	373	341	1,113	4,641	9,775
4420-12-000	Grounds Tools and Equipment	992	255	235	632	24	1,053	99	47	3,337
4429-00-000	Total Materials	44,943	32,657	25,551	39,328	11,512	25,267	19,012	16,005	214,275
4430-00-000	Contract Costs									
4430-01-000	Contract-Fire Alarm/Extinguisher	892	1,552	295	4,660	2,067	942	5,503	251	16,162
4430-02-000	Contract-Appliance Repair	3,919	1,828	1,377	1,865	1,330	2,138	3,077	24	15,558
4430-03-000	Contract-Building Repairs-Misc	13,691	5,564	3,438	6,148	3,056	8,263	5,658	9,182	55,000
4430-04-000	Contract-Unit Turnaround	128,341	46,009	23,712	35,633	16,468	39,266	21,815	0	311,244
4430-05-000	Contract-Painting	5,380	7,478	4,640	4,320	603	7,777	4,130	142	34,470
4430-06-000	Contract-Electrical	7,155	4,815	1,823	5,550	1,435	5,706	3,848	649	30,981
4430-07-000	Contract-Pest Control	1,121	1,315	104	1,906	13,035	5,485	56,567	2,567	82,100
4430-08-000	Contract-Floor Covering	530	2,011	1,488	2,205	917	1,523	1,697	0	10,371
4430-09-000	Contract-Grounds	2,195	94	424	2,585	0	4,914	22	0	10,234
4430-10-000	Contract-Janitorial/Cleaning	3,257	1,416	991	2,868	11,182	925	14,322	29,086	64,047
4430-11-000	Contract-Plumbing	60,413	28,977	13,217	22,262	12,113	50,215	22,992	705	210,894
4430-12-000	Contract-Window Covering	0	0	0	2	1,768	0	1,942	197	3,909
4430-13-000	Contract-HVAC	1,184	562	393	957	5,630	593	4,877	3,889	18,085
4430-14-000	Contract-Vehicle Maintenance	1,897	1,083	703	879	484	1,440	1,043	5,521	13,050
4430-15-000	Contract-Equipment Rental	752	156	122	140	35	211	75	0	1,491
4430-16-000	Contract-Equipment Repair	639	246	284	965	2,581	1,141	2,693	166	8,715
4430-17-000	Contract-Elevator Maintenance	0	0	0	0	2,918	0	4,693	1,920	9,531
4430-18-000	Contract-Alarm Monitoring	3,841	2,131	1,492	2,839	3,139	1,629	2,455	6,201	23,727
4430-19-000	Contract-Tree Trimming	633	50	2,433	5,500	0	1,067	0	0	9,683
4430-22-000	Contract-IT Contracts	1,706	775	492	1,246	1,568	978	2,331	0	9,096
4430-23-000	Contract-Lock Outs	54	135	39	90	540	65	1,485	0	2,408
4430-24-000	Contract-Inspections	4,350	3,484	2,320	3,331	2,000	5,989	2,569	0	24,043
4430-99-000	Contract Costs-Other	2,544	1,762	1,233	1,762	881	1,762	1,762	0	11,706
4439-00-000	Total Contract Costs	244,494	111,443	61,020	107,713	83,750	142,029	165,556	60,500	976,505
4499-00-000	TOTAL MAINTENANCE EXPENSE	388,866	233,318	160,914	286,320	123,781	336,929	253,096	474,430	2,257,654
4500-00-000	GENERAL EXPENSES									
4510-00-000	WC Insurance	15,694	13,773	11,225	20,344	4,992	23,848	10,268	91,934	192,078
4510-10-000	Auto Insurance	2,988	2,253	1,616	2,825	1,369	2,616	2,784	11,617	28,068
4510-11-000	Property Insurance	25,128	13,424	24,400	24,949	3,189	27,233	5,919	3,102	127,344
4510-12-000	General Liability Insurance	6,642	3,899	2,726	4,453	1,488	3,974	2,980	757	26,919
4510-13-000	Fidelity Insurance	374	259	182	259	130	259	259	96	1,818
4510-14-000	City-Umbrella Policy	15,882	9,321	6,518	10,644	3,565	9,550	7,139	1,805	64,424
4510-15-000	Broker Fees	3,573	2,017	2,942	3,304	628	3,469	1,215	1,584	18,732
4510-16-000	Cyber Liability Insurance	338	231	162	231	116	231	231	0	1,540

ALL PUBLIC HOUSING AND COCC (.allpham)

Property Comparison

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		Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
4520-00-000	Payments in Lieu of Taxes	21,048	8,953	7,350	11,084	3,376	7,073	26,951	0	85,835
4570-00-000	Bad Debt-Tenant Rents	15,000	8,350	500	1,700	500	500	1,000	0	27,550
4590-00-000	Other General Expense	2,840	1,186	914	1,174	516	1,480	825	7,499	16,434
4599-00-000	TOTAL GENERAL EXPENSES	109,507	63,666	58,535	80,967	19,869	80,233	59,571	118,394	590,742
4700-00-000	HOUSING ASSISTANCE PAYMENTS									
4715-04-000	PH Tenant URP	60	96	0	72	0	216	0	0	444
4715-06-000	PH FSS Escrow Payments	40,040	22,800	23,316	11,292	0	13,248	0	0	110,696
4799-00-000	TOTAL HOUSING ASSISTANCE PAYMENTS	40,100	22,896	23,316	11,364	0	13,464	0	0	111,140
8000-00-000	TOTAL EXPENSES	1,234,131	783,310	585,784	857,768	383,478	966,112	779,163	1,837,394	7,427,140
9000-00-000	NET INCOME	82,918	135,004	124,745	88,529	-1,987	43,447	-4,235	-211,835	256,586