



CITY COUNCIL
AGENDA REPORT

TYPE OF ITEM: Report

AGENDA ITEM NO.: 2

DATE: June 13, 2017

TO: Housing Authority

THROUGH: Greg Nyhoff
City Manager

A handwritten signature in blue ink, appearing to read "Greg Nyhoff".

FROM: Arturo Casillas
Housing Director

A handwritten signature in black ink, appearing to read "Arturo Casillas".

SUBJECT: Section 8 Housing Choice Voucher Program 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 \$20,414,903 operating budget for the Section 8 Housing Choice Voucher Program ("Section 8") for fiscal year 2018 and (2) approve and authorize the use of \$172,887 of unrestricted cash/investments to fund the projected deficit.

BACKGROUND

This recommended budget pertains exclusively to the 1,825 Housing Choice Vouchers administered by the City of Oxnard Housing Authority ("OHA"). The recommended operating budget of \$20,414,903 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 \$18,437,502 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 \$1,977,401, which is anticipated to result in a deficit of \$172,887.

Section 8 HCV Program Budget for FY 2018 (5/10/10)

June 13, 2017

Page 2

The process of developing the budget is always 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 2018 is unknown at this time, the 2017 funding methodology will be used to estimate revenues for the entire fiscal year for budget purposes. Funding in 2017 continues to be at reduced levels. HAP funding was prorated to 97.3% of what the OHA was eligible to receive while administrative funding was prorated to 75.7% of what it was eligible to receive.

The administration of the program will continue to prove difficult during the year with the diminishing resources available to run the program. Even though staff has been diligent over the years in limiting expenditures, with increasing staffing expenses and operational costs, a deficit position remains.

The proposed administrative budget results in a deficit of \$172,887 and the HAP budget shows a breakeven position.

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 culture.

FINANCIAL IMPACT

As of April 30, 2017, the Housing Authority's Section 8 Unrestricted Cash and Investments are \$923,000, or 47% of annual operating costs. It is anticipated that the Housing Authority will require the use of approximately \$172,887 of these funds in fiscal year 2018. This will leave a balance of \$750,113 in this fund.

There is no impact to the City's General Fund from the proposed action.

Section 8 HCV Program Budget for FY 2018 (5/10/10)

June 13, 2017

Page 3

ATTACHMENTS:

Attachment A: Section 8 FY 2018 Budget Resolution

Attachment B: HCV Budget

RESOLUTION NO. _____

RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF
OXNARD APPROVING AND ADOPTING THE SECTION 8
HOUSING CHOICE VOUCHER PROGRAM OPERATING BUDGET
FOR FISCAL YEAR 2018

WHEREAS, the Housing Authority of the City of Oxnard (Authority) has prepared a Section 8 Housing Choice Voucher Program Operating Budget of \$20,414,903 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 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 2018 totaling \$20,414,903 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 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

**OXNARD HOUSING AUTHORITY
SECTION 8 HOUSING CHOICE VOUCHER
PROPOSED FY 2018 BUDGET**

M.2.b

	Administrative Budget	Housing Asst Payment Budget	Total Budget
INCOME			
GRANT INCOME			
HAP Income		18,407,382	18,407,382
Admin Fee Income	1,769,994		1,769,994
FSS Grant Income	0		0
TOTAL GRANT INCOME	1,769,994	18,407,382	20,177,376
OTHER INCOME			
Investment Income - Unrestricted	4,400		4,400
Fraud Recovery-Adm Fee	30,120		30,120
Fraud Recovery-HAP		30,120	30,120
Misc Other Income			0
TOTAL OTHER INCOME	34,520	30,120	64,640
TOTAL INCOME	1,804,514	18,437,502	20,242,016
EXPENSES			
ADMINISTRATIVE			
Administrative Salaries			
Administrative Salaries	1,000,403		1,000,403
Administrative Temp Help	0		0
Add'l Compensation - OT	0		0
Employee Benefit Contribution-Admin	622,693		622,693
Total Administrative Salaries	1,623,096		1,623,096
Other Admin Expenses			
General Legal	4,787		4,787
Staff Training	4,815		4,815
Travel	4,403		4,403
Auditing Fees	27,653		27,653
Port Out Admin Fee Paid	21,156		21,156
Consultants	268		268
Total Other Admin Expenses	63,082		63,082
Miscellaneous Admin Expenses			
Membership and Fees	2,946		2,946
Publications	394		394
Advertising	4,798		4,798
Office Supplies	5,667		5,667
Fuel-Administrative	1,317		1,317
City Overhead	36,991		36,991
Telephone	13,352		13,352
Postage	16,618		16,618
Paper	2,981		2,981
Copiers	3,498		3,498
Printer Supplies/Services	4,954		4,954

**OXNARD HOUSING AUTHORITY
SECTION 8 HOUSING CHOICE VOUCHER
PROPOSED FY 2018 BUDGET**

M.2.b

	Administrative Budget	Housing Asst Payment Budget	Total Budget
Misc Computer Equipment	1,943		1,943
Internet	1,739		1,739
Software Fees	28,229		28,229
Cell Phones/Pagers	1,744		1,744
Small Office Equipment	2,855		2,855
Bank Fees	2,934		2,934
Other Misc Admin Expenses	910		910
Storage	8,687		8,687
Total Miscellaneous Admin Expenses	142,557		142,557
TOTAL ADMINISTRATIVE EXPENSES	1,828,735		1,828,735
TENANT SERVICES			
Other Tenant Svcs-OHA	200		200
Tenant Services Contract Costs	2,251		2,251
TOTAL TENANT SERVICES EXPENSES	2,451		2,451
UTILITIES			
Water	516		516
Electricity	11,577		11,577
Gas	825		825
Garbage/Trash Removal	777		777
Dump Expense	41		41
Sewer	227		227
TOTAL UTILITY EXPENSES	13,963		13,963
MAINTENANCE AND OPERATIONS			
General Maint Expense			
Maintenance Salaries	0		0
Maintenance Labor-Grounds	5,386		5,386
Maintenance OT	451		451
Employee Benefits Contribution-Maint.	3,418		3,418
Maintenance Uniforms	282		282
Vehicle Gas, Oil, Grease	41		41
Total General Maint Expense	9,578		9,578
Materials			
Supplies-Paint	43		43
Supplies-Grounds	270		270
Supplies-Appliance	58		58
Supplies-Plumbing	480		480
Supplies-Electrical	261		261
Supplies-Building Repairs	585		585
Supplies-Locks	266		266
Supplies-Janitorial/Cleaning	2,002		2,002
Supplies-Safety	1,141		1,141
Tools & Equipment	46		46

OXNARD HOUSING AUTHORITY
SECTION 8 HOUSING CHOICE VOUCHER
PROPOSED FY 2018 BUDGET

M.2.b

	Administrative Budget	Housing Asst Payment Budget	Total Budget
Grounds Tools & Equipment	29		29
Total Materials	5,181		5,181
Contract Costs			
Contract-Fire Alarm/Extinguisher	7		7
Contract-Appliance Repair	37		37
Contract-Building Repairs-Misc FFS	5,572		5,572
Contract-Painting	1,288		1,288
Contract-Electrical	1,052		1,052
Contract-Pest Control	4,680		4,680
Contract-Floor Covering	666		666
Contract-Janitorial/Cleaning	4,883		4,883
Contract-Plumbing	996		996
Contract-HVAC	1,736		1,736
Contract-Vehicle Maintenance	425		425
Contract-Equipment Repair	730		730
Contract-Alarm Monitoring	3,772		3,772
Contract-Tree Trimming	217		217
Contract-Inspections	31,427		31,427
Contract Costs-Other	270		270
Total Contract Costs	57,758		57,758
TOTAL MAINTENANCE EXPENSE	72,517		72,517
GENERAL EXPENSES			
WC Insurance	17,196		17,196
Auto Insurance	1,140		1,140
Property Insurance	1,176		1,176
General Liability Insurance	7,872		7,872
Fidelity	96		96
City-Umbrella Policy	18,834		18,834
Broker Fees	1,044		1,044
Cyber Liability Insurance	5,616		5,616
Other General Expense	6,761		6,761
TOTAL GENERAL EXPENSES	59,735		59,735
Asset Purchases	0		0
HOUSING ASSISTANCE PAYMENTS			
Housing Assistance Payments		17,975,089	17,975,089
Tenant Utility Payments		25,075	25,075
Portable Out HAP Payments		361,744	361,744
FSS Escrow Payments		75,594	75,594
TOTAL HOUSING ASSISTANCE PAYMENTS		18,437,502	18,437,502
TOTAL EXPENSES	1,977,401	18,437,502	20,414,903
NET INCOME	(172,887)	0	(172,887)