

June 23, 2016

Housing Authority Board of Commissioners
Clackamas County

Members of the Board:

Resolution 1913 Approving the Housing Authority of Clackamas County
FY 2016/2017 Budget

Purpose/Outcomes	Approval of the Housing Authority 2016-2017 budget, and approval to submit to the U.S. Department of Housing and Urban Development
Dollar Amount and Fiscal Impact	\$20,162,230
Funding Source	U.S. Department of Housing and Urban Development
Duration	July 1st 2016- June 30th 2017
Previous Board Action	The previous Fiscal Year Housing Authority Budget was approved on June 18th, 2015 by the Housing Authority Board of Directors.
Strategic Plan Alignment	1. Efficient & effective services 2. Build Public Trust through good government
Contact Person	Chuck Robbins- Executive Director, Housing Authority 503-655-5666
Contract No.	N/A

BACKGROUND:

The Housing Authority of Clackamas County (HACC), a Division of the Health, Housing and Human Services Department, requests approval of its FY 2016/2017 Agency-Wide Budget and approval of Resolution 1913 which allows the Housing Authority to submit its budget to the U.S. Department of Housing and Urban Development.

As required by the U.S. Department of Housing and Urban Development (HUD), the Low Rent Public Housing budget is allocated by project. HACC has a total of five Public Housing projects. HUD requires that the Public Housing Budget have its own Board Resolution and Board certification.

The HACC 2016/2017 Agency-Wide budget meets the requirements set forth in HUD's Financial Management Handbook for Public Housing Authorities. The Budget is organized by HACC's five functions:

- Low Rent Public Housing (referred to as LRPH in the budget document)
- Local Projects (affordable and special needs housing, not including low rent Public Housing)
- Section 8 Housing Choice Voucher Program (referred as Vouchers in the budget document)
- Central Office (Administration)
- Programmatic Grants (referred to as Grants in the budget document)

Total expenditures are estimated to be \$20,162,230. The total operating deficit for this year is projected to be <\$560,042>. Of this deficit, <\$181,655> is Public Housing loss which will be covered by the Public Housing Reserve account. Vouchers, Local Projects, Central Office (Administration) and Development show a combined deficit of <\$406,317>. These losses are offset by \$350,000 generated by Easton Ridge Development Fees. The balance <\$56,317> will come from HACC Local Project Reserves.

RECOMENDATION:

HACC recommends the approval of both Resolution 1913 adopting HACC's 2016/2017 Public Housing Budget; and the Agency-wide 2016/2017 Budget. Furthermore, HACC recommends approval for the Chair to sign HUD form 52574, Public Housing Authority Board Resolution Approving Operating Budget.

Respectfully submitted,

Richard Swift, Director
Health, Housing & Human Services

In the Matter of Approving the Housing
Authority's 2016/2017 Public Housing
Operating Budget by Project

RESOLUTION NO. 1913

WHEREAS, the Housing Authority Board of
Commissioners has reviewed the Public Housing Operating Budget by Project for Fiscal Year
ending June 30, 2017 and

WHEREAS, they certify that all regulatory and statutory
requirements have been met and that the Housing Authority has sufficient operating reserves to
meet the working capital needs of its developments, that the budget expenditures are necessary
in the efficient and economical operation of its housing for the purposes of serving low-income
residents, and

WHEREAS, the budget indicates a source of funds
adequate to cover all proposed expenditures, and

WHEREAS, the calculation of eligibility for federal
funding is in accordance with the provisions of the regulations and that all proposed rental
charges and expenditures will be consistent with provisions of the law, and

WHEREAS, the Housing Authority will comply with the
wage requirements under 24 CFR 968.11 (e) or (f) or 24 CFR 905.120 (c) and (d), and

WHEREAS, the Housing Authority will comply with
requirements for the reexamination of family income and composition,

NOW THEREFORE, BE IT RESOLVED that the
Housing Authority of Clackamas County, Oregon Public Housing Operating Budget by Project is
hereby approved for submittal to the U.S. Department of Housing and Urban Development.

DATED this 23rd day of June, 2016

BOARD OF COMMISSIONERS OF THE HOUSING
AUTHORITY OF CLACKAMAS COUNTY, OREGON

Chair

Recording Secretary

PHA Board Resolution
Approving Operating Budget

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 04/30/2016)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority of Clackamas County

PHA Code: OR001

PHA Fiscal Year Beginning: 07/01/2016

Board Resolution Number: 1913

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- Operating Budget approved by Board resolution on:
- Operating Budget submitted to HUD, if applicable, on:
- Operating Budget revision approved by Board resolution on:
- Operating Budget revision submitted to HUD, if applicable, on:

06/23/2016

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: John Ludlow	Signature:	Date: 06/23/2016
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Description of Fund

The Housing Authority provides affordable and safe housing to low income residents by owning and managing a portfolio of about 900 units, and by administering the Housing Choice Voucher program (1,651 vouchers).

Many clients are elderly or disabled, or former victims of domestic violence who are now single women-head of household with children. There are six (6) budget activities: Low Rent Public Housing (operation of 545 public housing units); Housing Choice Vouchers (administration of the voucher program and pass through rent assistance); Local Projects (operation of 355 other affordable and special needs housing units); Central Office (administration and finance); Housing Development (creating new housing or preserving existing units); and Grants (Capital Fund and Resident Self-Sufficiency).

Revenue Summary

Ninety-seven (97%) of revenues are Federal funds, allocation from Congress through the U.S. Department of Housing and Urban Development (HUD) in the following form: Public Housing Operating Subsidy for the operations of public housing; Capital Fund Grant for major physical repairs of public housing; Voucher Admin Fee for the administration of the voucher program; Housing Assistance Payment for pass through rent assistance to landlords; and Grants for Family Self-Sufficiency and Resident Services. The total amount is \$19,602,188. This is a 6.35% increase over last year's budget. The additional funding was the result of the 28% increase in the Fair Market Rents that came from the Market Analysis completed on behalf of the Portland/Vancouver region.

Of that total, other non-federal earned revenue includes: Local Projects housing portfolio totaling \$633,633 (including \$90,960 of county contribution).

Expenditure Summary

Total expenditures are estimated to be \$20,162,230. The total operating deficit for this year is projected to be <\$560,042>. Of this deficit, <\$181,655> is Public Housing loss which will be covered by the Public Housing Reserve account. Vouchers, Local Projects, Central Office (Administration) and Development show a combined deficit of <\$406,317>. These losses are offset by \$350,000 generated by Easton Ridge Development Fees. The balance <\$56,317> will come from HACC Local Project Reserves.

We have worked diligently to identify and implement options and opportunities to reduce program delivery costs and streamline operations in program areas where expenditures exceed revenue.

Significant Issues & Changes

HUD funding dramatically impacts HACC's budget. For example, the Voucher Program has received from HUD a proration between 70% and 80% of allowable administrative fees, the last three years. HACC has reduced Voucher frontline FTE's in past budgets in response to these cuts. This has resulted in an increased workload of about 120% of the industry standard for Section 8 administration. The Capital Fund for public housing physical repairs has been reduced from past levels.

Ongoing development fees for Easton Ridge are expected to be in the range of \$250,000 – \$300,000 annually.

The most significant change to the HACC budget was an increase in the Fair Market Rent (FMR). FMR's are set by HUD and are the maximum amount of assistance HACC can provide for Section 8 Voucher holders. Over the last 3 years FMR's rose 1% per year, while Market rents rose at over 11% per year. The result was that the lowest income residents of the County, even with a voucher, could not find a place to live. In a cooperative effort the region hired a consultant to conduct a Rent Analysis which resulted in HUD increasing the FMR in our region by 28%. In addition, HUD provided HACC \$776,635 of additional Housing Assistance Payment funds to minimize the impact on the number of households who could assist when the FMR's increased.

Low Rent Public Housing (LRPH)

Three Property Managers are responsible for management of 545 units of federally subsidized public housing in five Asset Management Property grouping. Each property manager is responsible for a portfolio of housing ranging from

200 to 213 units. To support the operations of the housing, each Property Manager has a staff of maintenance personnel and an administrative support position. Staff performs wait list management, unit leasing of new residents, grounds and unit maintenance, oversight of landlord/tenant issues, provision of resident services, and annual recertification of resident income per HUD guidelines to establish housing eligibility.

Voucher Program

The Voucher staff oversees the issuance of 1,651 rent subsidy vouchers for eligible clients to use in the rental of housing from private landlords who participate in the voucher program. To support this activity, staff manages waiting list and preferences, performs on-site rental inspections to meet housing quality requirements, issues vouchers to clients once eligibility requirements are met, responds to landlord/client issues, and annually recertifies each resident's income per HUD guidelines to establish housing eligibility.

Local Projects

Local Projects includes HACC owned housing units that are self-managed or third-party managed that are not part of the Public Housing portfolio. Third-party managed units are managed by Quantum Property Management and include Arbor Terrace in Molalla and Easton Ridge in Clackamas. Self-managed units include 11 units of family affordable housing and 55 units of special needs housing either managed by HACC or leased to the County or to a third-party service provider.

Resident Services

Resident Services programs promote the development of local strategies to assess the needs of Public Housing and Section 8 residents and then coordinate available resources in the community to meet those needs.

These services enable participating families to increase earned income, reduce or eliminate the need for welfare assistance, and make progress toward achieving economic independence and housing self-sufficiency. For elderly or disabled residents, the program helps improve living conditions and enable residents to age-in-place. For low-income families the program provides opportunities for education, job training, counseling and other forms of social service assistance.

HACC received HUD grants for Resident Services in both major programs. In Public Housing this is the Resident Opportunities and Self Sufficiency (ROSS) Grant Program. In Section 8, it's the Family Self-Sufficiency (FSS) Program. The total budget for both grants is \$326,257.

Development

The Development Coordinator is responsible for overseeing all of the development activities that involve HACC funding or impact HACC properties. This includes project managing all new developments, and facilitating the planning and pre-development meetings associated with the potential sale and/or redevelopment of HACC Public Housing properties.

Central Office

The Central Office oversees the administrative operations of the agency. Functions include the Executive Director who provides general oversight; the Housing Asset Manager, who oversees LRP, Local Project, and Tax Credit property, the Finance Manager who oversees HACC's finances and financial reporting requirements, and the Administrative Services Supervisor who oversees office staff and is responsible for administering special HACC projects and activities.

Grants

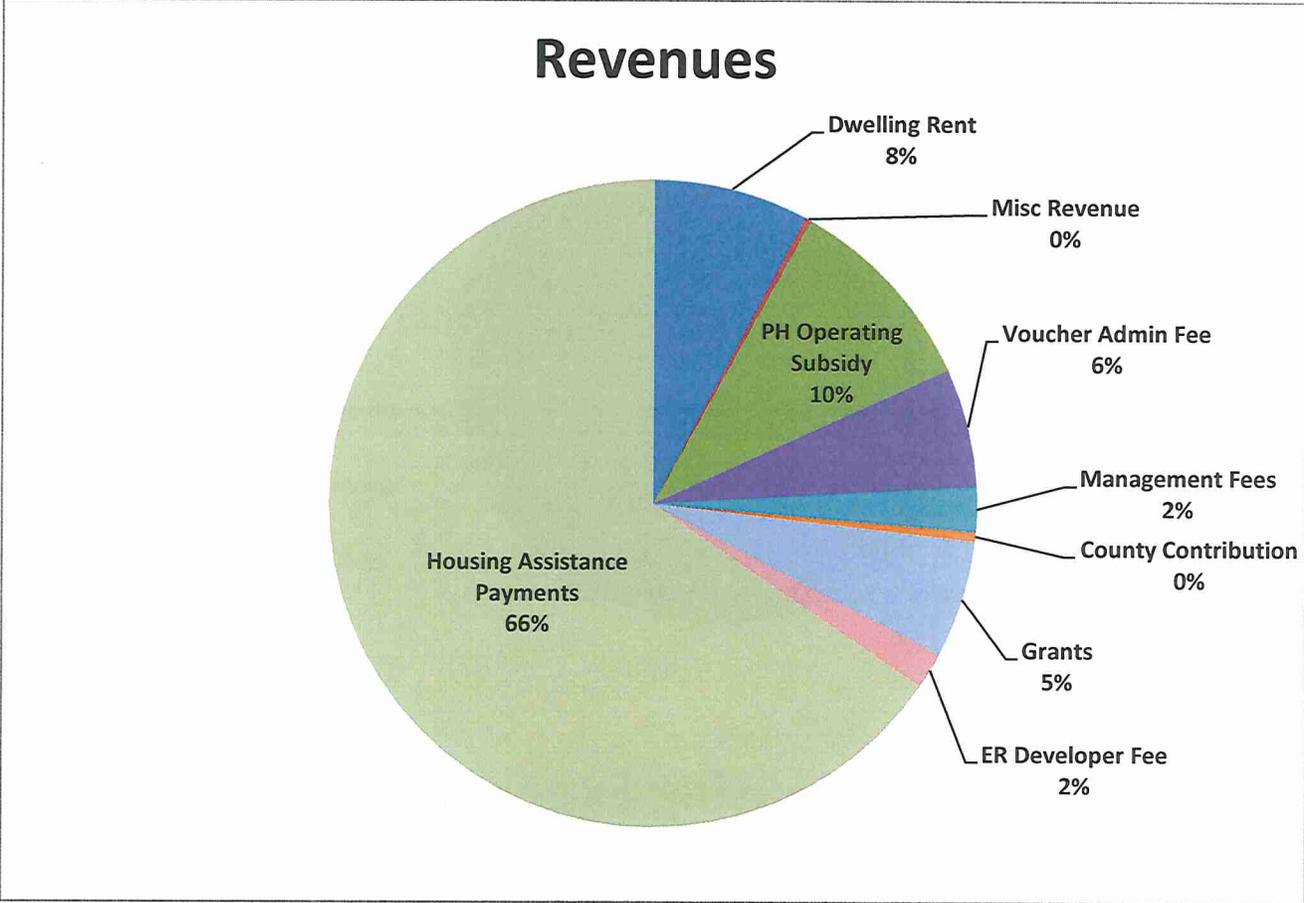
Grants are focused primarily in two areas. First, HUD provides an annual Low Rent Public Housing Capital Fund grant for the renovation and modernization of public housing. Second, HUD provides two grants for supportive housing, a Shelter Plus Care grant for disabled homeless and a grant for domestic violence homeless transitional housing at Janssen Road Apartments.

	Low Rent Public Housing	Vouchers	Local Projects	Central Office	Development	Grants	Total	FY 2016 6/30/2016 Budget	\$ Change from Prior Year Budget	% Change from Prior Year Budget
INCOME:										
Dwelling rent	1,343,381		494,176				1,837,557	1,721,411	116,146	6.75%
Vacancy loss (3%)	(43,948)		(7,516)				(51,464)	(50,455)	(1,009)	2.00%
Other tenant income	102,431	4,992	22,728				130,151	113,303	16,848	14.87%
Operating subsidy	1,966,101	1,158,327				103,487	3,227,915	3,091,882	136,033	4.40%
Housing assistance payments		12,449,305				314,976	12,764,281	11,987,646	776,635	6.48%
Mgmt fees			5,185	426,553			431,738	437,066	(5,328)	-1.22%
Interest income	10,880	0	18,100	0			28,980	29,087	(107)	-0.37%
County contribution			90,960				90,960	90,960	-	0.00%
Grant revenue	176,000		10,000	88,000	130,000	702,000	1,106,000	970,000	136,000	14.02%
Other/Inkind	13,077		0	0		22,993	36,070	41,292	(5,222)	-12.65%
TOTAL REVENUE	3,567,922	13,612,624	633,633	514,553	130,000	1,143,456	19,602,188	18,432,192	1,169,996	6.35%
ADMINISTRATIVE EXPENSE:										
Salaries	428,854	634,887	62,923	382,282	68,045	13,691	1,590,682	1,464,533	126,149	8.61%
Employee benefits	215,501	387,470	36,770	210,748	31,406	4,623	886,518	826,798	59,720	7.22%
Legal fees	19,340	9,856	848	558			30,602	30,001	601	2.00%
Staff training/travel	5,548	3,615	309	4,745	4,000	0	18,217	11,001	7,216	65.59%
Auditing fees	30,812	15,770	1,355	836	184		48,957	48,000	957	1.99%
Other administrative expenses (2)	152,589	244,285	10,807	189,288	129,366	0	726,335	560,000	166,335	29.70%
Management fee expense	361,153	0	0	0	0	0	361,153	431,881	(70,728)	-16.38%
TOTAL ADMINISTRATIVE	1,213,797	1,295,883	113,012	788,457	233,001	18,314	3,662,464	3,372,214	290,250	8.61%
TENANT SERVICES:										
Salaries	9,500	51,057				46,382	106,939	155,364	(48,425)	-31.17%
Benefits	5,925	33,729				28,926	68,580	80,144	(11,564)	-14.43%
Other	48,590	0	90,000	0		12,148	150,738	70,648	80,090	113.36%
TOTAL TENANT SERVICES	64,015	84,786	90,000	0	0	87,456	326,257	306,156	20,101	6.57%
UTILITIES:										
Water	157,563		3,212			219	160,994	157,840	3,154	2.00%
Sewer	346,066		8,054			832	354,952	348,000	6,952	2.00%
Electricity	118,958		1,714	5,847	1,284	119	127,922	125,414	2,508	2.00%
Gas	42,676	0	70	1,820	399	0	44,965	44,083	882	2.00%
TOTAL UTILITIES	665,263	0	13,050	7,667	1,683	1,170	688,833	675,337	13,496	2.00%
MAINTENANCE:										
Labor	598,747		34,755	0		0	633,502	631,572	1,930	0.31%
Benefits	396,490		26,082	0		0	422,572	406,165	16,407	4.04%
Materials	146,574		11,425	0		450	158,449	155,346	3,103	2.00%

Housing Authority of Clackamas County						
Public Housing Budget by Project						
Fiscal Year 2016/2017						
	001	002	003	004	005	Project
	Clack Hts	Scattered	Hillside Pk	OCVM	Hillside Mnr	Total
INCOME:						
Dwelling Rent	198,149	477,091	211,576	159,794	296,771	1,343,381
Vacancy Loss	(6,543)	(16,282)	(6,758)	(4,924)	(9,441)	(43,948)
Other Income	20,912	34,282	18,474	12,633	16,130	102,431
Operating Subsidy	364,343	593,414	301,063	388,735	268,546	1,916,101
Housing Assistance						-
Admin Fees						-
Management Fees						-
Interest/Mat'l Fee	1,898	3,590	1,745	1,840	1,807	10,880
County/MH Contrib/CF Mgt Fee						-
Asset Mgmt Fee						-
Rental of admin/highrise building					13,077	13,077
Transfer CGP A/C 1406	32,208	47,168	32,208	32,208	32,208	176,000
Grant Revenue	9,100	13,600	9,100	9,100	9,100	50,000
Development Fee						-
In-Kind Contributions						-
TOTAL REVENUE:	620,067	1,152,862	567,409	599,387	628,197	3,567,922
ADMINISTRATIVE EXPENSE:						
Salaries	75,980	118,385	79,219	76,051	79,219	428,854
Employee Benefits	36,689	66,408	37,832	36,740	37,832	215,501
Legal Fees	3,539	5,183	3,539	3,539	3,539	19,340
Staff Training (incl related trav	475	744	414	475	414	2,522
Travel & Fees	570	893	497	570	497	3,026
Accounting Fees	-	-	-	-	-	-
Auditing Fees	5,639	8,258	5,639	5,639	5,639	30,812
Other admin expenses	28,258	41,249	27,400	28,282	27,400	152,589
DES/H3S Alloc	-	-	-	-	-	-
Consultant Fees	-	-	-	-	-	-
Mgmt/Acct Fee	66,091	96,789	66,091	66,091	66,091	361,153
TOTAL ADMINISTRATIVE:	217,242	337,908	220,631	217,387	220,631	1,213,798
TENANT SERVICES:						
Salaries	1,749	2,504	1,749	1,749	1,749	9,500
Benefits	1,091	1,561	1,091	1,091	1,091	5,925
Recreation, publications, other	1,020	510	1,020	1,020	1,020	4,590
Contract Costs, training, other	9,000	8,000	9,000	9,000	9,000	44,000
Relocation		-				-
TOTAL TENANT SERVICES:	12,860	12,575	12,860	12,860	12,860	64,015
UTILITIES:						
Water	32,799	52,437	21,800	35,883	14,644	157,563
Sewer	71,274	96,886	51,408	73,355	53,143	346,066
Electricity	14,154	6,589	6,585	6,198	85,432	118,958
Gas	1,309	2,271	1,495	1,150	36,452	42,676
TOTAL UTILITIES:	119,535	158,183	81,289	116,585	189,671	665,262
MAINTENANCE:						
Labor	111,175	197,565	91,166	111,175	87,667	598,747
Benefits	67,416	145,509	60,127	67,416	56,021	396,490
Materials	34,299	57,457	15,391	23,305	16,123	146,574
Garbage Contract	38,570	65,256	33,180	34,207	8,430	179,642

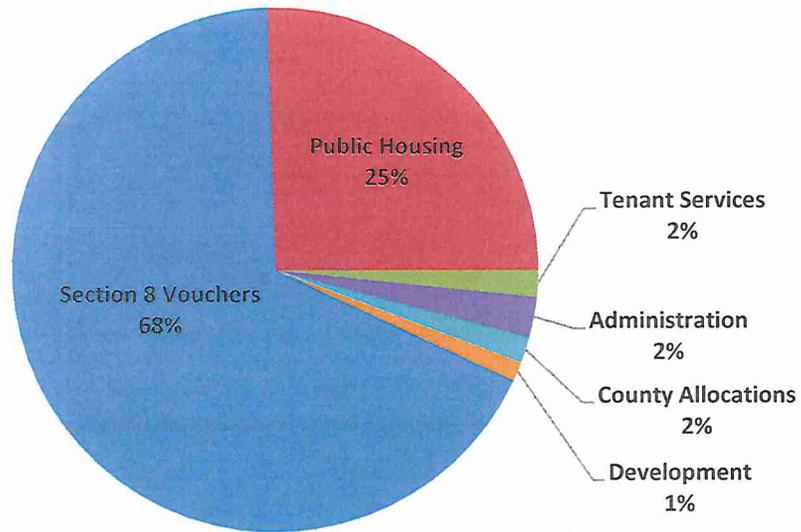
	001	002	003	004	005	Project
	Clack Hts	Scattered	Hillside Pk	OCVM	Hillside Mnr	Total
Other Contracts	25,613	64,700	26,612	25,781	23,618	166,323
Maint Material Fee						-
Maint Labor Fee						-
TOTAL MAINTENANCE:	277,073	530,486	226,475	261,883	191,859	1,487,777
GENERAL EXPENSES:						
Property/Casualty Insurance	16,260	25,656	12,690	17,089	15,499	87,194
PILOT	9,450	24,420	15,190	8,758	13,019	70,837
Workers Comp Ins	4,041	5,898	3,307	3,493	2,752	19,490
Collection Losses	6,358	15,820	6,565	4,784	9,173	42,699
Other General Expenses	6,120	1,020	6,120	6,120	6,120	25,500
Rental - admin bldg	-	-	-	-	-	-
Extraordinary Maint	-	-	-	-	-	-
Asset Mgmt Fee	12,000	17,400	12,000	12,000	12,000	65,400
Compensated Absences/OPE	1,433	2,243	1,248	1,433	1,248	7,606
TOTAL GENERAL EXPENSES	55,661	92,457	57,120	53,677	59,811	318,726
TOTAL EXPENSES	682,371	1,131,608	598,375	662,392	674,832	3,749,577
OPERATING SURPLUS (DEFICIT)	(62,304)	21,255	(30,966)	(63,005)	(46,635)	(181,655)

HACC 2016-2017 Budget

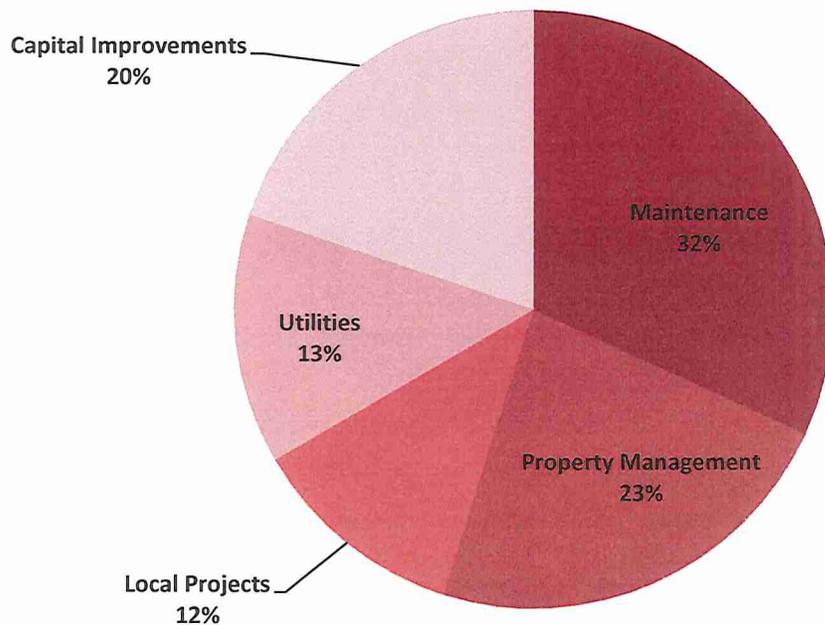


HACC 2016-2017 Budget

HACC Expenses



Public Housing Expenses



HOUSING AUTHORITY OF CLACKAMAS COUNTY ORGANIZATIONAL CHART

(Updated April 2016)

Bold = Management Team

