



Q1-2019 Financial Report Notes

Public Housing

- The CY2019 Operating Subsidy calculation was submitted to HUD on 4/9/2019 for 766 units. The current Operating Subsidy revenue is based on a published estimated eligibility, which is prorated by 88.7%. We expect to receive our final 2019 Operating Subsidy calculation by 5/14/19.
- Drawing of funds from the ROSS grant and Capital Fund grants were delayed this quarter due to year-end adjustments. We expect these draws to resume to normal levels in the 2nd quarter.
- The CDA was awarded \$239,250 for the FY2018 ROSS Grant. This is a 3-year grant which the CDA was previously awarded in 2015. The FY2018 ROSS grant project period began on 3/18/2019.
- The salary and benefit line variances for all programs reflects 7 FTE vacancies. Five of these vacancies are currently in the process to be filled.
- Maintenance expenses per unit totaled \$989 at the end of the 1st quarter. The industry standard is \$1,049.
- Total expense per unit totaled \$5,077 for the 1st quarter. The industry standard is \$5,542.
- A contract was awarded on 2/15/19 to Bachmann construction for \$409,990 to replace the sidewalk elevators at Romnes Apartments. This project will be funded using the Capital Fund Grant. Work is estimated to be completed by July. Planned capital projects in 2019 include the repaving of the parking lot at Tenney Park Apartments and common area flooring replacements at Truax Redevelopment Phase 1.
- First quarter PHAS estimates score the CDA at 79 out of 100 points.
- The 2019 Capital Fund Grant awards were published on 4/16/2019 and the CDA was awarded \$1,676,350. The grant budget for this award will appear on the 2nd quarter financial statements.

Multifamily Housing

- The Multifamily Service Coordinator Grant was awarded on 01/01/2019 at 30% of the total funding authorized for 2019.
- The boilers were replaced at Parkside Apartments (high-rise building) at the end of 2018 and beginning of 2019. The total project cost was \$410,975 and was primarily funded through a \$400,000 loan from CDBG. Planned capital projects in 2019 include roof repairs and membrane replacements at Parkside Apartments and repaving the parking lot between Parkside Apartments and Asian Foods.
- Maintenance expenses per unit totaled \$393 for the 1st quarter.
- Total expense per unit totaled \$7,170 for the 1st quarter.

Section 8

- The number of actual leased units, or vouchers, increased to 1,752 in March. The average per unit HAP continued to increase from \$657 in December to \$671 in March due to the change in payment standards.

CDA Program Descriptions

Public Housing

The Public Housing Program at the CDA consists of 774 rental units of public housing within the City of Madison managed through 3 site offices; East, West, and Triangle. The Department of Housing and Urban Development (HUD) through the Asset Management model categorizes public housing units into 5 asset management projects (AMPs); East, West, Triangle, Truax Phase 1, and Truax Phase 2. The Central Operating Cost Center (COCC) is the home for shared administrative expenses which benefit all public housing units. In exchange for these services, the COCC charges a management fee and bookkeeping fee to each amp. The main revenue streams for the public housing program are HUD operating subsidy, tenant rent, Resident Opportunities and Self Sufficiency (ROSS) grant, and the Capital Fund Grant. The Annual Contributions Contract (ACC) is the agreement between the CDA and HUD that provides annual federal funding to the program. CDA performance is measured through the Public Housing Assessment System (PHAS) score.

Multifamily Housing/Section 8 New Construction

The Section 8 New Construction Program is one of the programs under HUD's Multifamily Housing Program. The CDA has 2 projects under this program; Parkside and Karabis Apartments. Combined they include 114 units and 1 commercial space (7,135 sqft). Both properties are managed by the Triangle site office. The development of these properties were financed through the Wisconsin Housing and Economic Development Authority (WHEDA). HUD provides rent subsidy to these projects through a Section 8 Housing Assistance Payment (HAP) contract, which is administered by WHEDA. The CDA works with WHEDA to renew this contract annually. WHEDA monitors program compliance through site visits to the properties.

Section 8 Housing Choice Voucher

The Section 8 Housing Choice Voucher program is the federal government's largest program assisting low-income families, elderly, and disabled to afford decent, safe, and sanitary housing in the private housing market. The Section 8 voucher pays the difference between the actual cost of housing and the amount the participants can afford. Eligible units may include the family's current residence or any available unit that meets program requirements and passes a minimum Housing Quality Standards, (HQS) as determined by a CDA inspection. When an owner approves an applicant with a voucher, the CDA reviews the terms of the proposed lease and enters into a HAP contract with owner. The CDA currently administers about 1,750 vouchers. Some vouchers are set aside for special purposes including: Veteran's Affairs Supportive Housing (VASH), Family Unification Program (FUP), Moving Up Pilot Program (MUPP), Project Based Voucher Program (PBV), and Section 8 Homeownership. Section 8 vouchers are tenant based (with the exception of PBV's), meaning the family may move from unit to unit anywhere in the US where a housing authority operates an HCV program. If a family chooses to move into or out of the City of Madison, this is called portability. The CDA and Dane County Housing Authority (DCHA) jointly administer a Family Self-Sufficiency, (FSS) program under one grant. The main revenue streams for the Section 8 HCV program are HAP payments and Administrative Fees, which are administered through an ACC contract with HUD. The program performance is measured through the Section Eight Management Assessment Program (SEMAP) self-certification.