

CDA Housing Operations

Agency Budget by Fund

Fund	2022 Actual	2023 Adopted	2023 Actual	2024 Adopted	2025 C2C	2025 Request
CDA	26,500,881	30,113,693	35,533,940	33,688,445	34,115,332	32,657,158
Total	26,500,881	30,113,693	35,533,940	33,688,445	34,115,332	32,657,158

Agency Budget by Service

Service	2022 Actual	2023 Adopted	2023 Actual	2024 Adopted	2025 C2C	2025 Request
Housing Vouchers	17,995,516	19,753,795	19,473,319	21,735,602	22,574,692	20,288,600
Public Housing	8,505,365	10,359,898	16,060,620	11,952,842	11,540,641	12,368,558
Total	26,500,881	30,113,693	35,533,940	33,688,445	34,115,332	32,657,158

Agency Budget by Major-Revenue

Major Revenue	2022 Actual	2023 Adopted	2023 Actual	2024 Adopted	2025 C2C	2025 Request
Intergov Revenues	(20,633,736)	(23,808,081)	(21,094,366)	(26,682,485)	(27,146,245)	(26,044,738)
Charges For Services	(3,666,472)	(4,198,677)	(3,832,353)	(4,023,371)	(3,814,604)	(4,059,334)
Invest Other Contrib	(126,303)	(39,531)	(287,053)	(58,317)	(58,317)	(141,279)
Misc Revenue	(442,705)	(46,853)	(368,996)	(60,529)	(60,529)	(102,751)
Other Finance Source	(1,069,200)	(1,374,815)	(8,058,460)	(2,161,305)	(2,333,200)	(1,111,875)
Transfer In	(562,465)	(645,737)	(1,892,712)	(702,438)	(702,438)	(1,197,181)
Total	(26,500,881)	(30,113,693)	(35,533,940)	(33,688,445)	(34,115,332)	(32,657,158)

Agency Budget by Major-Expense

Major Expense	2022 Actual	2023 Adopted	2023 Actual	2024 Adopted	2025 C2C	2025 Request
Salaries	3,362,724	3,931,795	3,478,525	4,217,458	4,253,030	4,253,004
Benefits	1,254,658	1,304,763	1,318,185	1,414,576	1,393,748	1,327,480
Supplies	584,077	698,798	549,057	710,426	710,426	804,866
Purchased Services	20,037,217	22,486,412	21,500,496	25,606,472	25,623,344	23,777,421
Debt Othr Financing	385,228	499,600	6,512,941	490,541	872,997	996,607
Inter Depart Charges	902,290	1,003,118	948,884	1,057,112	1,069,927	1,018,583
Inter Depart Billing	(587,777)	(704,216)	(666,860)	(774,312)	(774,312)	(717,816)
Transfer Out	562,465	893,424	1,892,712	966,172	966,172	1,197,013
Total	26,500,881	30,113,693	35,533,940	33,688,445	34,115,332	32,657,158

TO: Mayor Satya Rhodes-Conway
FROM: Wachter, Matt
DATE: July 18, 2024
SUBJECT: 2025 Operating Budget Transmittal Memo
CC: Deputy Mayors; Finance Director, Budget & Program Evaluation Staff

Goals of The CDA's Operating Budget

The mission of the CDA Housing Operations is to continue to allow access of households with lower incomes to affordable housing in every Madison neighborhood. This mission directly corresponds to the directive laid out by the Imagine Madison Neighborhoods and Housing Element of a Great City. The CDA acknowledges that in the pursuit of housing stability a household experiences a process equivalent to the Maslow Hierarchy of Needs. The CDA Housing Operations Division offers two services: Housing Vouchers and Public Housing to assist households in their journey through the various steps of housing stability.

Housing Vouchers

The Section 8 Housing Choice Voucher Program contributes to the Neighborhood and Housing element as the vouchers are used to subsidize market rate rentals throughout the community to an affordable level for households with incomes below 50 percent of area median income creating neighborhood accessibility to city residents of all income levels. The private market rent is subsidized to bring the participant's rental payment to within 30% of their income. The program currently supports an average of 1,900 households throughout the community. Participation is limited by Federal funding availability.

The goal for 2025 is to continue to maintain the number of families receiving Section 8 assistance and increase program participation through utilization of Mainstream & American Rescue Act vouchers options as well as any future possible voucher funding extensions.

Public Housing

This service provides public housing assistance across the City of Madison through Community Development Authority (CDA) owned and operated developments. The CDA owns, manages, and maintains 742 units of Low Rent Public Housing with funding from the Federal Department of Housing and Urban Development (HUD). It also owns, manages, and maintains 116 multi-family units with funding from Wisconsin Housing and Economic Development Authority (WHEDA) & 24 Project-Based Voucher Units. This service is available to residents with income below 80 percent of area median income, with priority given to the elderly, disabled, and families with minor children and operates within strict compliance of the Fair Housing Act. Residents in CDA housing pay 30 percent of adjusted gross income for rent and utilities.

The goals for 2025 are to continue to implement operational efficiencies in order to continue to create short unit turnaround times, and high occupancy rates. These goals will occur concurrently with the continued repositioning and redevelopment of public housing in accordance with HUD guidance.

Enterprise Agencies

Per HUD, the CDA will receive an overall increase in Housing Operating Subsidy, Capital Fund Grant, and Housing Choice Voucher funding. This increase is offset by continued increases in

market pressures, market rents, and cost inflation. The CDA continues to strategically plan reserve usage in 2025 to support operations as well as redevelopment activities.

In both Public Housing and Housing Choice Voucher Programs, the programs are designed to reduce a participant's rent to 30% of their income. If a participant's income is reduced, their rent will also decrease insulating participants from the continued pressure the CDA experiences from increased market costs for maintenance, supplies, utilities, and property taxes.

In the event of a shortfall the CDA utilizes reserve funding, operational efficiencies, repositioning, and grant seeking activities to bridge the gaps.

Reallocations and Other Changes

The CDA shall continue to be net-neutral to the General Fund, however, the CDA will experience various changes to almost every major line items as described in the attached service proposal due to the nature of its funding and market-driven operational needs.

The CDA appreciates the importance of its role in creating safe, sanitary, and affordable housing options in the city of Madison. The need for affordable housing in our community has never been greater and we look forward to being a partner in the solution.

Sincerely,

Matt Wachter

Matt Wachter
Executive Director
Community Development Authority

2025 Operating Budget Service Budget Proposal Form

Part 1. Identifying Information

Select your Agency:	CDA Housing Operations
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Enter your Service:	Housing Vouchers
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Please provide an updated Service Description below.

If this is an existing service, please see the “Service Description” in the [2024 Adopted Budget](#). Write “No change needed,” if applicable. Otherwise, please provide a complete updated description.

If this is a new service due to the agency’s Results Madison restructure, please provide a 2-4 sentence description of the service and its goals.

Updated Service Description:

No change needed.

Please provide updated Activities Performed by Service.

If this is an existing service, please see the “Activities Performed by Service” in the [2024 Adopted Budget](#). Write “No change needed,” if applicable. Otherwise, please provide a complete updated list of activities.

If this is a new service due to the agency’s Results Madison restructure, please provide a list of major activities using the format *Activity Name: Description*.

Updated Activities Performed by Service:

No change needed.

Part 2. Base Budget Proposal: Significant Changes (\$10,000 or more)

Agencies can propose net neutral reallocations within their budget but must explain changes of \$10,000 or more at the **Major level**.

Examples of changes that **do** need to be detailed:

- Moving \$10,000+ from one Major to another Major

Examples of changes that **do not** need to be detailed:

- Total changes of less than \$10,000 at the Major level.
- Object level changes do not need additional justification if the net change to the Major is less than \$10,000. For example, if you propose moving \$15,000 from Consulting to Software within the Purchased Services Major, you do not need to detail the change.

If the proposed changes are a technical correction to the agency’s base budget, simply state that the change is a correction/adjustment in the narrative questions below.

Summary Table of Major Changes of \$10,000 or More

Complete the table below to detail changes at the Major level and answer the narrative questions to describe your changes. **If there are no significant changes, skip this section**

Fund	Major	\$ Change	Description
5100 - CDA	42 - INTERGOV REVENUES	1,241,670.00	Decrease federal funding of the Section 8 program as determined by Congress in the federal budget process
5100 - CDA	46 - INVEST OTHER CONTRIB	-20,456.67	Increase interest earned subject to overall financial interest rates of the financial market as directed by the Federal Reserve
5100 - CDA	52 - BENEFITS	-60,000.00	Decrease in Post Employment Other object due to no expected retirements in 2025
5100 - CDA	53 - SUPPLIES	98,084.00	Increase due to general supply needs and needed vehicle purchases
5100 - CDA	54 - PURCHASED SERVICES	-2,335,941.00	Decrease in housing assistance payments due to corresponding decrease in federal funding calculation for Section 8 support
5100 - CDA	56 – DEBT OTHER FINANCING	15,012.00	Increase in interest financing and fund balance generated

Explain the impact of the proposed change(s). Will there be a change to current activities or service levels? Why is this change needed in the 2025 budget?

All changes reflect an updated cost to continue with figures not available in February when the original cost to continue was established. Total variance is 5% less than the originally established cost to continue.

Explain how your proposed change(s) will align with your draft 2024-2025 Department Equity Action Plan. Will the change(s) address specific inequities or advance other equity goals? Is the change related to a Neighborhood Resource Team (NRT) recommendation? Be as specific as possible.

The Section 8 voucher program exists to allow low-income households access to the neighborhood of their choosing without experiencing undue financial hardship creating equity through access to the greater community.

Part 3. Personnel Changes

All proposed personnel changes must be submitted for review, even if the change is net neutral. Agencies should contact their HR Analyst to discuss proposed changes prior to submitting their request. **If you are not submitting personnel changes, skip this section.**

Allocation Changes: Does your proposal change the position allocations of existing positions?

- No – No allocation changes
- Yes – Includes proposed allocation changes

If yes, complete the "Position Allocation Change Form" and submit as part of your proposal.

Reclassifications: Does your proposal reclassify existing positions?

- No – No reclassifications
- Yes – Includes proposed reclassifications

If yes, provide the position number and briefly describe the change:

Reclass of position 4870 – Information Clerk (CG 20/R 07) to Program Assistant 1 (CG 20/R 11)

of FTEs: Does your proposal change the total number of FTE positions?

- No – No change to # of FTEs
- Yes – Includes proposed change to # of FTEs

Note: If "Yes," the proposed change must be net neutral to the target budget, and salary **and benefits must be considered when computing the cost of the change.*

If yes, provide the position classification and briefly describe the change:

Click or tap here to enter text.

Explain the impact of your proposed personnel change(s). Will there be a change to current activities or service levels? Why is this change needed in the 2025 budget?

Reclass of position 4870 to allow for more complex programmatic duties to more effectively manage the increase in caseloads of the Housing Specialists.

Explain how your proposed personnel change(s) will align with your draft Department Equity Action Plan. Will the change(s) address specific inequities or advance other equity goals?

The Section 8 voucher program exists to allow low-income households access to the neighborhood of their choosing without experiencing undue financial hardship creating equity through access to the greater community. Without the more programmatically complex assistance, households will experience longer waits to receive vouchers, process payment changes, and be qualified for the program.

2025 Operating Budget Service Budget Proposal Form

Part 1. Identifying Information

Select your Agency:	CDA Housing Operations
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Enter your Service:	Public Housing
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Please provide an updated Service Description below.

If this is an existing service, please see the “Service Description” in the [2024 Adopted Budget](#). Write “No change needed,” if applicable. Otherwise, please provide a complete updated description.

If this is a new service due to the agency’s Results Madison restructure, please provide a 2-4 sentence description of the service and its goals.

Updated Service Description:

No change needed.

Please provide updated Activities Performed by Service.

If this is an existing service, please see the “Activities Performed by Service” in the [2024 Adopted Budget](#). Write “No change needed,” if applicable. Otherwise, please provide a complete updated list of activities.

If this is a new service due to the agency’s Results Madison restructure, please provide a list of major activities using the format *Activity Name: Description*.

Updated Activities Performed by Service:

No change needed.

Part 2. Base Budget Proposal: Significant Changes (\$10,000 or more)

Agencies can propose net neutral reallocations within their budget but must explain changes of \$10,000 or more at the **Major level**.

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If the proposed changes are a technical correction to the agency's base budget, simply state that the change is a correction/adjustment in the narrative questions below.

Summary Table of Major Changes of \$10,000 or More

Complete the table below to detail changes at the Major level and answer the narrative questions to describe your changes. **If there are no significant changes, skip this section**

Fund	Major	\$ Change	Description
5100 - CDA	42 - INTERGOV REVENUES	-140,163.08	Increase federal operating revenues due to HUD-approved rent increase at Parkside
5100 - CDA	43 - CHARGES FOR SERVICES	-244,380.24	Increase based on average charges collected and HUD-approved rent increase at Parkside. Variance is a 2% increase from Cost to Continue
5100 - CDA	46 - INVEST OTHER CONTRIB	-62,505.00	Increase based on 3-year historical average of interest received
5100 - CDA	47 - MISC REVENUE	-47,221.69	Increase due to City Finance move of revenue from cell phone tower from major 43 to major 47
5100 - CDA	48 - OTHER FINANCE SOURCE	1,221,324.98	Decrease reserve usage due to Triangle Redevelopment contract moving into the Capital Budget & Tax Credit award, HUD-approved rent increase at Parkside
5100 - CDA	49 - TRANSFER IN	-494,743.48	Increase federal Capital Grant Fund award due to updated award amount
5100 - CDA	54 - PURCHASED SERVICES	490,017.66	Increase by 5% vendor contracts plus a \$247,424 special assessment on the Triangle campus for the construction of Mariposa Lane on the donated Triangle land parcel

5100 - CDA	56 - DEBT OTHR FINANCING	108,597.34	Increase in contingent reserve for Parkside due to HUD-approved rent increase
5100 - CDA	57 - INTER DEPART CHARGES	-51,344.00	Decrease due to lower management rate set by HUD (CDA Management Fees – 5% decrease)
5100 - CDA	58 - INTER DEPART BILLING	-56,496.00	Decrease due to lower bookkeeping rate set by HUD (CDA Bookkeeping Fees – 7% decrease)
5100 - CDA	59 - TRANSFER OUT	230,840.81	Increase Public Housing Central Operating Cost Center reserve support of the Public Housing properties – increase from cost to continue to support personnel & operational cost increases
Select	Select	Enter \$.	Click or tap here to enter text.
Select	Select	Enter \$.	Click or tap here to enter text.

Explain the impact of the proposed change(s). Will there be a change to current activities or service levels? Why is this change needed in the 2025 budget?

All changes reflect an updated cost to continue with figures not available in February when the original cost to continue was established. These changes are required to maintain current activities.

Explain how your proposed change(s) will align with your draft 2024-2025 Department Equity Action Plan. Will the change(s) address specific inequities or advance other equity goals? Is the change related to a Neighborhood Resource Team (NRT) recommendation? Be as specific as possible.

The Public Housing program exists to allow low-income households access to safe, decent, and affordable housing creating equity through access to housing stabilization.

Part 3. Personnel Changes

All proposed personnel changes must be submitted for review, even if the change is net neutral. Agencies should contact their HR Analyst to discuss proposed changes prior to submitting their request. **If you are not submitting personnel changes, skip this section.**

Allocation Changes: Does your proposal change the position allocations of existing positions?

- No – No allocation changes
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If yes, complete the “Position Allocation Change Form” and submit as part of your proposal.

Reclassifications: Does your proposal reclassify existing positions?

- No – No reclassifications
- Yes – Includes proposed reclassifications

If yes, provide the position number and briefly describe the change:

- Position #1017 – Career Laddering
- Position #4412 – Career Laddering
- Position #4761 – Reclass to assist with more technical programmatic processes
- Position #4861 – Reclass to assist with more technical programmatic processes

of FTEs: Does your proposal change the total number of FTE positions?

No – No change to # of FTEs

Yes – Includes proposed change to # of FTEs

Note: If “Yes,” the proposed change must be net neutral to the target budget, and salary **and benefits must be considered when computing the cost of the change.*

If yes, provide the position classification and briefly describe the change:

Click or tap here to enter text.

Explain the impact of your proposed personnel change(s). Will there be a change to current activities or service levels? Why is this change needed in the 2025 budget?

The proposed personnel changes are to maintain current operations as the complexity of the CDA’s programs have increased as well as the community need.

Explain how your proposed personnel change(s) will align with your draft Department Equity Action Plan. Will the change(s) address specific inequities or advance other equity goals?

The Public Housing program exists to allow low-income households access to safe, decent, and affordable housing creating equity through access to housing stabilization. Without the more programmatic complex assistance households will experience longer waits to receive housing, process payment changes, and be qualified for the program.