



Q3-2020 Financial Report Notes

Public Housing

- Revenue from tenant paid rent maintained overall steady in the 3rd quarter leaving the projection at 1% favorable to the budget. Significant changes can be seen in a reduced income from charges for services and an increase in bad debt expenses. The decline in revenue from coin laundry remains consistent from last quarter in being projected 27% unfavorable to the budget. Overall Public Housing's revenue is unfavorably projected to end the year at 4% under budget.
- The salary and benefit line variances reflect the impact of COVID on the CDA's ability to fill positions. Positions that were intended to be filled earlier in the year were filled later creating a salary & benefit savings. These positions include 4 maintenance workers, 2 service coordinators, and 1 assistant property manager. All positions have been filled in the 4th quarter. This rate of turnover is unique to 2020 as the vacant positions were the result of internal promotions, position creation, and 2 retirements. Currently the only vacant position is that of the CDA Deputy Director which has been posted.
- Total expense per unit totaled \$5,592 at the end of the 3rd quarter, slightly up from \$5,577 at the end of the 2nd quarter. The expense per unit industry standard is \$5,643.
- 3rd quarter capital projects included parking lot improvements at the Williamson Street apartments, a couple rough unit turns in the East Amp, Romnes' heat exchanger systems repair, a furnace replacement at Baird Street, the retainage was released for completion of the Tenney Park parking lot improvements, and the Green Physical Needs Assessment was contracted with Nelrod to occur in the 4th quarter.
- 2nd quarter PHAS estimates remain consistent in scoring the CDA at 81 out of 100 points. This estimates the CDA would score as a Standard Performer.

Multifamily Housing

- Revenue from tenant paid rent remained steady in the 3rd quarter with a 6% variance favorable to the budget. Similar to Public Housing, coin laundry is down significantly. Overall the Multifamily Housing's revenue is unfavorably projected to end the year at 7% under budget.
- Parking lot repairs at Parkside Apartments are have been completed in the 3rd quarter.
- Total expense per unit totaled \$9,621 for the 3rd quarter.

Section 8

- The average number of actual leased units, or vouchers, has continued to decrease to 1,676 by the end of the 3rd quarter. The per unit HAP increased by \$757 in September the highest of the year.
- The relationship between the amounts of HAP needed per voucher to number of units leased is an inverse relationship to the number of voucher leased. As each voucher costs more HAP to subsidize the less units can be leased.
- The Section 8 Administration Fund is projected to end 2020 with a reserves deposit of \$765,574.

CDA Program Descriptions

Public Housing

The Public Housing Program at the CDA consists of 798 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 1,723 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.