



## CDA 2020 Operating Budget

The Community Development Authority of the City of Madison (CDA) submits an annual budget to the City of Madison, which is subject to the approval of the City Finance Committee and the Common Council [MGO 3.17(15)]. In accordance with this ordinance, the CDA prepared and submitted a 2020 Budget to the City of Madison on July 10, 2019. The overview below only includes activities submitted for the Housing Authority side of the CDA organizational chart and does not include CDA Redevelopment Authority activities. These activities are submitted as separate budgets since one is federally funded and the other is not. In addition, while the CDA plans capital improvements, CDA Housing does not submit a Capital Budget to the City since all revenues within CDA Housing are federal grant funds which are not considered part of the City's Capital Budget funding.

### **2020 Operating Budget Target: \$175,000**

The operating budget target is the amount of funding the City of Madison is planning to give to the CDA during the 2020 budget year. These funds are City of Madison General Funds and are unrestricted. The CDA's budget submission does not include this revenue line. Instead, it shows a deficit of \$175,000.

## 2020 Budget Assumptions

### Revenues

- **Public Housing Operating Subsidy:** The CDA is over our Faircloth limit by 8 units, decreasing operating subsidy eligibility at one Asset Management Project (AMP), Truax Phase 2, by \$55,366.
- **Multifamily Housing Revenues:** Assumed a 2% cost of living increase in the Multifamily Service Coordinator Grant funding.
- **Rental Revenues:** 98% occupancy using average monthly rent from previous 2 years. Assumed 100% occupancy at Truax Phase 2.
- **Section 8:** Assumed 1,700 average units per month at 80% proration.

### Expenditures

- **Utilities:** Natural gas and electric are not anticipated to increase. Increased budgets for water by 8%, sewer by 7% and Stormwater by 9%.
- **Property Insurance:** 20% increase, based on rate increases and re-valuation of properties.
- **CDA Management and Bookkeeping Fees:** Rates were not changed in 2020. Management fee is \$51.50 per occupied unit, assuming 98% occupancy. Bookkeeping fee is \$7.50 per occupied unit, assuming 98% occupancy.

## New Initiatives

The CDA incorporated a work planning component to the operating budget process this year. As a result, CDA staff proposed the following new initiatives, which were added into the 2020 budget submission:

1. **Increase of 3.00 FTE's (\$224,460):** The CDA is proposing to hire 3 new Maintenance Supervisors, 1 at each site.
2. **Inventory Management System (\$6,000):** The CDA is planning to purchase an electronic inventory management system in 2020.

3. **Green Physical Needs Assessment (\$35,000):** The CDA is required to submit a physical needs assessment to HUD every 5 years. The CDA is proposing to complete HUD's Green Physical Needs Assessment (GPNA).
4. **Tree Removal (\$20,000):** The CDA plans remove approximately 20 ash trees from various properties in 2020.
5. **How-To-Videos (\$5,000):** A way of communicating streamlined processes on CDA's website, which provide information to housing applicants and their advocates and helps ensure successful paperless applications.
6. **CDA Safety and Security Policies and Procedures (\$10,000):** Development of safety policies and procedures including emergency preparedness for all properties. This process involves the City Safety Coordinator.

## Budget Overview

SERVICE	REVENUE	EXPENSE	TOTAL
Public Housing	(8,209,332)	8,282,330	72,998
Section 8	(15,838,943)	15,940,945	102,002
<b>TOTAL</b>	<b>(24,048,275)</b>	<b>24,223,275</b>	<b>175,000</b>

## 2020 Ending Fund Balances

AMP/PROPERTY/PROGRAM	DESCRIPTION	2020 ENDING BALANCE
<b>Central Operating Cost Center (COCC)</b>	The COCC provides administrative support to the Public Housing program. COCC staff collect and screen all program applications and provide policy, procurement, and financial oversight.	(43,356)
<b>East AMP 200</b>	163 public housing units in 41 buildings at 6 physical locations on Madison's east side.	42,331
<b>West AMP 300</b>	294 public housing units in 53 buildings at 23 different physical locations on Madison's west side.	23,654
<b>Triangle AMP 400</b>	224 public housing units in 7 buildings at 1 physical location at the Triangle.	50,369
<b>Truax 1 AMP 500</b>	71 units (24 Section 8 & 47 Public Housing) in 6 buildings at Truax. A tax credit property owned by an LLC.	0
<b>Truax 2 AMP 600</b>	48 units (8 Section 8 & 40 Public Housing) in 3 buildings at Truax. A tax credit property owned by an LLC. 8 Section 8 units are managed by Porchlight.	0
<b>Karabis Apartments</b>	20 units in 1 building at the Triangle. All units are handicapped accessible.	0
<b>Parkside Apartments</b>	94 units and 1 commercial space in 5 buildings at the Triangle.	0
<b>Section 8 Admin</b>	Administrative fee and expenses.	102,200
<b>Section 8 HAP</b>	Housing Assistance Payments made to landlords.	0