

CITY OF MADISON
INTER-DEPARTMENTAL
CORRESPONDENCE

DATE: April 10, 2014

To: CDA Board

From: Agustin Olvera

Subject: CDA HOUSING CHOICE VOUCHER PROGRAM (SEC 8)
PROGRAM OUTLOOK FOR THE CALENDAR YEAR 2014

The CDA Housing Choice Voucher (Section 8) Program is budgeted to receive approximately \$11.6 million in Housing Assistance Payments (HAP) in 2014. The CDA spent approximately \$11.3 million in 2013 on approximately 1600 households. The CDA will need to maintain and increase utilization by about 40 vouchers to spend the full \$11.6 million. This number may vary depending on the average HAP expense. If the average goes up due to rent increases or increased financial need, then the number of additional vouchers we could issue could go down.

The CDA is authorized to issue 1,816 vouchers, however, due to the budget authority granted to us we cannot afford to issue this many vouchers. HUD has authorized budget authority based on the previous year's expenditures. It has also looked at the number of vouchers in use at different times of the year. It has also used a combination of these factors. The additional money for 2014 was based on additional special program vouchers awarded in 2013. Due to the uncertainty of funding, related to the delays in the budget process and the resulting sequestration funding levels, it was very difficult to plan and budget appropriately in 2013.

The prospect of a 2 year federal budget makes funding a little more predictable so we can better plan and budget. Based on this outlook, our current goal is to increase voucher utilization to 1640-60 by the end of 2014. This would get us closer to the maximum number of 1816 vouchers which we are allowed to issue. The CDA will soon conduct a Lottery which will give residents the chance to apply to be on the CDA Wait List. The CDA will do extensive outreach, to make people aware.

Public Housing

SECTION 8 FINANCIAL STATEMENT FOR THE PERIOD ENDING DECEMBER 31, 2013

	East Actual	West Actual	Triangle Actual	Central Office Cost Center	Truax Actual	Karabis Actual	Parkside Actual	YTD ACTUAL	YTD BUDGET	ANNUAL BUDGET	POSITIVE (NEGATIVE) VARIANCE FROM YTD BUDGET
12											
REVENUES:											
Rental Income	501,911	921,512	691,629	0	345,092	70,542	333,049	2,863,735	2,183,000	2,183,000	680,735
Other Income	26,260	69,955	24,643	1,987	35,327	2,291	12,484	172,947	264,556	264,556	(91,609)
Coin Laundry Commission	8,675	20,064	19,217	0	0	4,108	5,449	57,513	54,200	54,200	3,313
Investment Income	523	0	1,592	3,199	0	15,287	7,407	28,008	11,000	11,000	17,008
HUD Operating Subsidy	399,162	480,048	302,737	0	117,648	139,357	435,026	1,873,978	1,415,500	1,415,500	458,478
Interdepartmental Revenue	0	0	0	517,113	68,602	55	247	586,017	596,008	596,008	(9,991)
City Subsidy	197,162	1,033	885	1,179	0	0	0	200,259	197,162	197,162	3,097
Cap Funds Revenue	396,641	377,716	310,768	0	14,120	0	0	1,099,245	0	0	1,099,245
Other HUD Income	31,000	31,000	135,137	7,590	0	0	0	204,727	1,104,346	1,104,346	(899,619)
TOTAL REVENUE	1,561,334	1,901,328	1,486,608	531,068	580,789	231,640	793,662	7,086,429	5,825,772	5,825,772	1,260,657
EXPENDITURES											
Salaries & Benefits	480,589	615,468	492,608	271,531	114,024	22,772	99,793	2,096,785	2,044,844	2,044,844	(51,941)
Utilities	183,550	239,964	237,808	10,038	61,994	32,903	97,187	863,444	787,000	787,000	(76,444)
Insurance	15,863	22,431	11,890	528	21,730	1,436	8,251	82,129	93,500	93,500	11,371
Other Purchased Services	110,256	198,900	136,602	23,751	151,404	40,500	155,679	817,092	1,042,550	1,042,550	225,458
Cap Funds Expense	396,641	377,716	310,768	0	14,120	0	0	1,099,245	0	0	(1,099,245)
Supplies	78,103	145,152	90,720	6,356	29,729	10,499	44,682	405,241	350,250	350,250	(54,991)
Payment in Lieu of Tax	31,171	67,007	45,099	0	31,442	3,764	23,450	201,933	147,800	147,800	(54,133)
Interdepartmental Charges	178,930	278,049	205,284	131,255	22,198	25,659	(23,754)	817,621	916,528	916,528	98,907
Interest Expense	2,884	4,812	2,032	2,542	148,355	201	80,037	240,863	0	0	(240,863)
Principal	4,211	6,389	2,551	3,924	46,607	243	194,726	258,651	326,550	326,550	67,899
Miscellaneous	1	1	11,117	64,953	7,532	0	3	83,607	0	0	(83,607)
TOTAL EXPENDITURES	1,482,199	1,955,889	1,546,479	514,878	649,135	137,977	680,054	6,966,611	5,709,022	5,709,022	(1,257,589)
NET INCOME (LOSS)	79,135	(54,561)	(59,871)	16,190	(68,346)	93,663	113,608	119,818	116,750	116,750	3,068
Depreciation	243,416	335,017	269,404	13,526	503,212	26,335	104,654	1,495,564	0	0	(1,495,564)
Net Income - Depreciation	(164,281)	(389,578)	(329,275)	2,664	(571,558)	67,328	8,954	(1,375,746)	\$116,750	\$116,750	(1,482,496)
Cash	232,477	239,298	164,173	542,876	211,879	1,029,418	44,186	\$2,464,307			

SECTION 8
FINANCIAL STATEMENT FOR THE PERIOD ENDING DECEMBER 31, 2013

12	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	POSITIVE (NEGATIVE) VARIANCE FROM YTD BUDGET
REVENUES:				
HAP Subsidy	\$11,770,000	\$11,770,000	\$10,810,723	(\$959,277)
Portable Voucher Payments	\$0	\$0	\$334,932	\$334,932
Interest on Investments	\$12,000	\$12,000	\$7,598	(\$4,402)
Other Income	\$3,467	\$3,467	\$33,803	\$30,336
Portable Admin	\$0	\$0	\$21,553	\$21,553
Administrative Fee	\$1,013,695	\$1,013,695	\$880,104	(\$133,591)
TOTAL REVENUE	\$12,799,162	\$12,799,162	\$12,088,713	(\$710,449)
EXPENDITURES				
Salaries & Benefits	\$864,027	\$864,027	\$856,617	\$7,410
Insurance	\$24,300	\$24,300	\$314	\$23,986
HAP Payments	\$11,770,000	\$11,770,000	\$11,316,287	\$453,713
Other Purchased Services	\$58,700	\$58,700	\$62,309	(\$3,609)
Portable Vouchers & Admin	\$0	\$0	\$280,124	(\$280,124)
Supplies	\$55,500	\$55,500	\$22,998	\$32,502
Other Expenses	\$4,000	\$4,000	\$7,463	(\$3,463)
Interdept Charges & Debt Service	\$138,467	\$138,467	\$134,294	\$4,173
TOTAL EXPENDITURES	\$12,914,994	\$12,914,994	\$12,680,406	\$234,588
NET INCOME (LOSS)	(\$115,832)	(\$115,832)	(\$591,693)	(\$475,861)
Average Annual HAP	\$582			
Average Monthly Utilization	1,615			
Net Restricted Assests (NRA)	0			
for HAP only				
Unrestricted Net Assets (UNA)	\$ 898,417			
for HAP and Admin expense				