



Q3-2019 Financial Report Notes

Public Housing

- The CDA was selected as a 2019 ConnectHome community in September. ConnectHome is a HUD initiative which aims to narrow the digital divide in HUD assisted housing. Two CDA staff traveled to the ConnectHome Summit in Washington, DC in October.
- The CDA is currently over our Faircloth limit by 8 units. HUD reduces the Operating Subsidy eligibility of the most recently added AMP when a housing authority is over their Faircloth limit. In our case, the most recently added AMP is Truax Phase 2. This reduction will continue until the CDA reduces our housing portfolio by 8 units.
- Tenant Rents have been trending slightly higher than expected. This is largely due to an increase in occupied units. There were 49 vacant units reported in January compared to 28 in September. This includes the 4 vacant units at Theresa Terrace, meaning the public housing program ended the 3rd quarter with 24 vacant rentable units.
- The salary and benefit line variances for all programs reflect staffing vacancies. There was 1 promotion in the 3rd Quarter (Triangle Site Manager) and 2 new hires (Modernization Grants Manager and CDA Security Monitor). Additionally, the CDA hired 1 new hourly employee, a Clerk Typist at the Central Office. There are 2 new hires planned for the 4th Quarter (Finance and Grants Manager and Triangle Assistant Site Manager) and 1 promotion (Housing Operations Program Manager) leaving 2 FTE vacancies in process (Hearings and Accommodations Specialist and Resident Service Coordinator).
- Maintenance expenses per unit totaled \$1,165 at the end of the 3rd quarter. The industry standard is \$1,049.
- Total expense per unit totaled \$5,279 for the 3rd quarter. The industry standard is \$5,542.
- The trash lift replacement project at Romnes Apartments was completed in the 3rd quarter. With the hire of the new Modernization Grants Manager in the 3rd quarter, several capital projects were started: parking lot improvements at Tenney Park Apartments, trash compactor replacement at Brittingham Apartments, roof replacement at Raymond Road, and electrical panel upgrades at Brittingham Apartments.
- CDA staff continued working to procure a security contractor in the 3rd quarter. It is anticipated that a new contractor will be begin in the 1st quarter of 2020.
- Third quarter PHAS estimates score the CDA at 83 out of 100 points. This is an increase of 4 points from the 1st quarter and estimates the CDA would score as a Standard Performer.

Multifamily Housing

- The handicapped ramp at Asian Foods was repaired in the 3rd Quarter. There are 2 scheduled capital projects in the 4th quarter; a roof replacement and parking lot repairs at Parkside Apartments.
- Maintenance expenses per unit totaled \$943 for the 3rd quarter.

- Total expense per unit totaled \$7,721 for the 3rd quarter. The highest per unit expense category is tied to salaries at Karabis Apartments. After an analysis in 2019, payroll allocations will be adjusted for administrative staff in 2020 to reflect a per unit allocation.

Section 8

- The average number of actual leased units, or vouchers, increased to 1,720 by the end of the 3rd quarter. The average per unit HAP increased slightly and was \$677 in September.
- The Section 8 Administration Fund is projected to end 2019 with a profit of \$109,426. Salaries are trending higher than budget due to increased overtime during the high volume summer months.

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.