



## Q2-2020 Financial Report Notes

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### Public Housing

- Revenue from tenant paid rent maintained steady in the 2<sup>nd</sup> quarter leaving the projection at 4% above budget. Significant changes can be seen in a reduced income from charges for services and an increase in bad debt expenses. A significant decrease in coin laundry can also be observed as multiple factors are impacting this revenue such as the nationwide coin shortage and the closure of the City Treasurer's office to the public limiting the availability to deposit coins. Overall the CDA's projected revenue is currently \$1,841 below budget.
- The salary and benefit line variances for all programs reflect staffing vacancies and two retirements. In the 2<sup>nd</sup> quarter, 3 CDA Housing Maintenance Workers were promoted to CDA Maintenance Coordinators and 1 CDA Housing Maintenance Worker retired from the East Site. These changes left 4 Housing Maintenance Worker vacancies. The Capital Project Manager position was filled in the 2<sup>nd</sup> quarter. The East Assistant Housing Site Manager was promoted to the East Housing Site Manager position, leaving 1 vacant position at the East Site Office. All vacant positions are currently under active recruitment. Two CDA Service Coordinators have been hired and will start work in the 3<sup>rd</sup> quarter.
- Total expense per unit totaled \$5,577 at the end of the 2<sup>nd</sup> quarter, slightly up from \$5,127 at the end of the 1<sup>st</sup> quarter. The expense per unit industry standard is \$5,643.
- 2<sup>nd</sup> quarter capital projects included parking lot improvements at Tenney Park Apartments and lighting upgrades and air duct cleaning at the East Madison Community Center.
- 2<sup>nd</sup> quarter PHAS estimates continue to score 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 2<sup>nd</sup> quarter at 4% over budget. Similar to Public Housing, coin laundry is down significantly. Charges for services increased and the year end projection is 41% over budget.
- Roof repairs were completed in the 2<sup>nd</sup> quarter at the Parkside High-rise Apartment building. Parking lot repairs at Parkside Apartments are have begun in the late 2<sup>nd</sup> quarter and will be completed in the 3<sup>rd</sup> quarter.
- Total expense per unit totaled \$7,892 for the 2<sup>nd</sup> quarter. The highest per unit expense category is tied to salaries.

### Section 8

- The average number of actual leased units, or vouchers, slightly decreased to 1,723 by the end of the 2<sup>nd</sup> quarter. The average per unit HAP increased by \$28 to \$715 in June.
- The Section 8 Administration Fund is projected to end 2020 with a profit of \$748,830.

## 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.