



2018 - 2019 Consolidated Budget
(PROPOSED)



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DEFINITIONS

CY – Calendar Year

DV or DV 5yr – Disabled persons vouchers, part of the SC8 voucher program.

FTE – Full time equivalent

FUP – Family Unification Program, a type of voucher and part of the SC8 program.

FY – Fiscal Year

HAP – Housing Assistance Payments

HCV – Housing Choice Vouchers

HRAP – Homeless Rental Assistance Program

HUD – Housing and Urban Development

NRP – Net Restricted Position. These are unspent HAP funds at fiscal year-end plus any residual funds from previous years and can only be used for payments to landlords with SC8 contracts.

PH – Public Housing

RAD – Rental Assistance Demonstration. A Public Housing conversion program to take Public Housing properties and convert them to Section 8 rental support through HUD.

RSC – Resident Service Coordinator

SC8 – Section 8 program

SHORT FUNDING – This means that HUD is giving agencies less funding than is required to run the program due to Congressional appropriations or to force use of program reserves.

SRO – Single Room Occupancy, a type of Moderate Rehabilitation program for private sector property owners.

UNP – Unrestricted Net Position. This is the administrative fee reserve for the voucher program. These funds are restricted to support the voucher program.

VASH – Veteran's Assistance and Supportive Housing, a type of voucher.

VIDA – Valley Individual Development Accounts. A fund matching grant program run by CASA of Oregon.

VOU – Voucher program. Consists of HCV, VASH, DV, FUP and other voucher programs.

VRAP – Veterans Rental Assistance Program

BUDGET MESSAGE

For the fiscal year beginning October 1, 2018

Mission

To assist low and moderate-income families achieve self-sufficiency by providing stable housing, economic opportunity and community investment through coordination with social service providers.

The proposed consolidated operating budget provides for the continuation of a financially sound operation amid many funding uncertainties. Specific information about the funding uncertainties is provided in this section.

Content of the Consolidated Budget

This package contains annual budgets for the following properties and programs:

- **Central Office (Federal/Affordable)**
The Central Office was split into Federal vs Non-Federal funding and expenditures beginning fiscal year 2014/2015 to meet HUD's definition of a Central Office segregated to federal funds only. Federal revenues are management fees earned from the Public Housing properties managed and the Housing Choice Voucher (Section 8) and Moderate Rehabilitation programs to pay for centralized administrative functions. Affordable (Non-Federal) revenues include development and management fees paid by other programs and properties to pay for expenses related to managing non-federal programs and grants.
- **SHA-Owned Housing**
A total of 114 units at Englewood West and Southview Terrace properties.
- **Public Housing**
245 units of Public Housing owned by HUD/Salem Housing Authority (SHA). Comprised of 6 Apartment/townhome complexes, 87 units of scattered site housing and a lot.
- **Housing Choice Vouchers (Section 8)**
Rent subsidies paid to private landlords on behalf of 3,077 households. Major programs include 2,815 units of Housing Choice Vouchers (HCV), 94 units of Mainstream 5 yr (DV), 100 Family Unification Program vouchers (FUP) and 68 units of Veteran's Assistance Vouchers (VASH).

- **Section 8 Moderate Rehabilitation**

Rent subsidies paid to owners of the Coral Avenue Single Room Occupants (SRO) apartments and Appleblossom apartments for 36 households. Effective July 2018, this only includes the 26 units of SRO at Coral Avenue.

- **Grant Programs**

Capital Fund Program (CFP), Resident Self Sufficiency, Veteran's Rental Assistance Program (VRAP), Homeless Rental Assistance Program (HRAP) & many other smaller grants that support the mission and advancement of the HRAP program, VIDA and the Security Deposit Program.

This budget package does **NOT** contain annual operating budgets for properties owned by Low Income Housing Tax Credit (LIHTC) limited partnerships (Parkway East, Parkway West, Southfair or Robert Lindsey Tower) and properties that SHA manages for Teton and Chemeketa Non-Profit corporations (Englewood East and the Hawthorne House, respectively) or the Doral House (owned by the City of Salem). The fees that SHA earns, and the administrative expenses incurred for managing these properties are represented in the Central Office-Affordable budget. See Budget Timelines section for details.

Housing Authority Budget Fundamentals

- The proposed budgets are balanced and reflect funding projections based upon information provided by HUD, affordable housing industry sources and rate forecasts.
- This budget provides the resources for the Authority to provide affordable rental housing to an estimated 3,745 low-income households and security deposits to landlords on behalf of just over 100 households.
- The Capital Fund Program funded by HUD continues to permit the Authority to upgrade its Public Housing units and to make management improvements that contribute to the overall efficiency of the Authority's operations.
- The Family Self Sufficiency Program continues to provide both support and mentoring to families on their journey to become independent of governmental assistance. The program has recently had 17 graduates, who are now on their way to full self-sufficiency.

Program Funding Cycles

The Authority's fiscal year begins October 1st and ends September 30th. The operating periods of the various grant programs varies based on the date the grant was awarded. To the extent possible, the Consolidated Budget reflects revenues and expenses anticipated during the Authority's fiscal year spanning the period October 1, 2017 to September 30, 2018.

Budget Timelines

- HUD requires the Authority to submit a Resolution demonstrating budget approval by the Housing Authority Commission by the conclusion of the current fiscal year. The Housing Authority Commission will be requested to adopt the consolidated budget at the September 24, 2018, meeting.
- Teton Non-Profit Housing, Inc. and Chemeketa Non-Profit, Inc. will individually approve their 2018-2019 operating budgets for Englewood East Apartments and the Hawthorne House respectively at their semi-annual meeting. Doral House (owned by the City of Salem and managed by SHA) is a single-family home and does not have its own budget.
- The Capital Fund Program budgets were approved by the Housing Authority Commission on June 11, 2018, as part of the Public Housing Agency Plan.
- All the LIHTC limited partnerships operate on a calendar year basis. These entities will adopt operating budgets for the 2019 calendar year prior to December 31, 2018.

Budget Focus for FY 2018-19

Financial Performance of Owned Housing Properties

Collectively, the net cash flow of the Englewood West and Southview Terrace properties has been sufficient to cover expenses, reserve deposits and debt service as well as to add to surplus cash. Overall occupancy has been near full this current FY, at approximately 99%. Contract rents are again proposed to remain flat over this next fiscal year, due to the affordable rent cap on these properties. Actions have been taken to reduce operating costs whenever possible to improve our cash flows. Both properties were refinanced in 2014 and 2016. To take advantage of the lower rates available at those times.

Public Housing Operating Subsidy

The actual amount of subsidy allocated to housing authorities depends on the level of Congressional appropriation. The operating subsidy for the budgeted fiscal year is calculated by SHA in accordance with HUD guidelines and is submitted to HUD by the agency according to HUD's timelines. SHA has budgeted to receive a prorated portion of subsidy entitlement for FY 2018-19 and staff will make any necessary adjustments required when the amount of subsidy for this year and next fiscal year are finalized by Congress and HUD.

The final amount of subsidy that SHA will receive in FY 2017-18 is still in question at the time of budget adoption; as the CY 2018 funding has not yet been finalized by HUD. This funding should typically be finalized near to the end of September each fiscal year once Congressional funding has been determined. Final funding determination for CY 2017 was finalized on October 13, 2017, at 93.10% of the subsidy "entitlement". During this interim, operating subsidy funding is provided on a pro-rated based of funding requested and as of August 21, 2018 SHA is receiving 93.39%, of the requested funds for Operating. SHA remains highly

reliant on Operating Subsidy in providing affordable rents to the remaining 245 Public Housing tenants.

The future of Public Housing has been under continuous debate and discussion at the federal level for many years. The Rental Assistance Demonstration program has been created to address the concern of outdated and declining physical quality of public housing. SHA was awarded a multi-phase RAD CHAP on February 22, 2017 and has been working with HUD to complete this transition. The initial phase will convert all the Public Housing Apartments except Shelton Village to Project Based Section 8 funding, utilizing LIHTC.

Voucher Housing Assistance Payments

HUD funds the Voucher program on a calendar year (CY). In the past, housing authorities were notified of their budget authority one to two months prior to the start of the calendar year, although for the past few years, agencies have not been notified until their fiscal years were well underway by several months or more. These delays have been a result of the funding challenges faced by the federal administration. The CY 2019 funding process is uncertain with an unknown time line for budget appropriations with a new president and Congress. SHA expects to end this current funding year, with little to no funding reserves. We have been able to utilize every bit of funding provided by HUD and most of our prior year funding reserves, as well.

The Voucher funding year (starting January 1, 2019) with approximately 95% voucher utilization relative to CY 2018 budget authority. SHA will need to monitor and adjust the number of voucher households participating in the program during 2019 according to (1) HAP budget authority, (2) the average HAP expenditure per household per month, (3) the rate of lease-up and (4) the rate of voluntary HAP terminations throughout the year.

HUD began “short funding” the HAP needs of housing authorities in CY 2009 while requiring housing authorities to use up all or nearly all of their HAP reserves, known as net restricted position (NRP). HUD expects housing authorities to expend all HAP budget authority during each program year and to use the NRP to maximize leasing as needed in the event of insufficient funding to lease 100% of available units. As funding for CY 2019 will most likely be based upon the expenditures from the prior fiscal year, it is important to keep the leasing level as high as possible. To achieve this, SHA began FY 2018 with NRP \$470,730 and anticipates beginning FY 2019 at or near \$0; as we are utilizing all funds toward housing assistance. In the hopes that the funding for the upcoming year will at least remain consistent and SHA will not experience even more decreases in funding.

The rapid increase in the amount of HAP needed to pay landlords due to increasing rents has been a concern. Higher rents will result in a faster decrease in available reserves and reduce future voucher use, essential spending more money to assist less families each year. This is a growing area of concern, if HUD does not increase the HAP allocated based upon the prior year’s usage.

Voucher Administrative Fees

The uncertainty of HAP budget authority described above also results in uncertainty in the level of voucher administrative fees to be earned by SHA during the fiscal year.

Housing authorities earn administrative fees each month under the Voucher program at a HUD-published rate for the number of units leased adjusted by a floating proration factor that is adjusted on a quarterly basis depending upon funds available at HUD. In the past, HUD has been approximately four to six months behind in finalizing each month's administrative fees earned and it is retroactive to the beginning of the calendar year, resulting in another level of uncertainty for funding administrative costs. The actual proration for CY 2017 was received on April 11, 2018. The actual proration for CY 2019 will not be known until early 2020.

SHA budgeted the administrative fee is based upon the projected leasing and an assumed proration of 75% of the published fees for CY 2019 (CY 2018 is currently estimated by HUD to be 76% of published rates, a decrease from last year's 77.988% level). The lower estimated proration is a conservative outlook based upon the current political environment. These reductions have severely affected the Voucher program operations and the ability to pay Central Office fees supporting agency operations. HUD had previously proposed a new method for calculating future administrative fees earned by leasing vouchers, however, it remains uncertain of implementation and/or if this will affect SHA.

SHA Staffing Level for FY 2018-19

SHA began the FY 2017-18 with a total of 43 Full Time Equivalents (FTE). Due to increased workloads and funding received through grants, 3 additional positions were added to assist the housing and stability of the HRAP clients. Additional positions have also been added to assist with the increased workloads from the new developments and the RAD transition.

The proposed FY 2018-19 budgeted FTE is as follows:

Full Time Equivalent (FTE) Staff Positions

SHA Section	FY 2017-18 budget	FY 2018-19 budget	Difference
Central Office	13.0	14.0	+ 1.0
Grants	5.0	8.0	+ 3.0
Section 8	12.0	12.0	+/- 0.0
Property Mgmt.	13.0	14.0	+ 1.0
Total	43.0	48.0	+ 5.0

REVENUES

Numbers in parentheses indicate 2018-2019 budget figures.

Housing Assistance Subsidy (\$20,567,897)

The line item represents: (1) subsidies paid to landlords on behalf of renters participating under the Housing Choice Voucher and Section 8 Moderate Rehabilitation Programs; and (2) cash assistance paid to landlords on behalf of clients under the Grant programs: HRAP, VRAP and City Security Deposit program.

Administrative Fees (\$2,143,964)

These are fees earned for administration of the Voucher, Moderate Rehabilitation, and Security Deposit programs. The HCV CY 2019 proration factor is estimated at 75%, less than the estimated CY 2018 rate of 76%. Reserves will have to be utilized to cover any funding less than the amounts budgeted but the 75% level should not require reserves to cover expenses at that level.

Public Housing Operating Subsidy (\$1,045,970)

The subsidies for 245 remaining Public Housing units are based on a HUD formula. The figure assumes that Congress will appropriate 94% of subsidy “entitlement” due to budget cuts. Current year funding (CY 2018) has not yet been finalized by HUD but is estimated to be approximately 93.39%.

Public Housing Capital Fund (\$434,479)

The federal grant awarded annually for public housing property related building improvements and equipment. The amount shown is what is expected to be spent in this budget year. With the impending RAD, much of the funds have been set aside to fund upgrades needed during the conversion.

Tenant Rents (\$1,387,920)

The aggregate of tenant rents anticipated from residents of Public Housing, Southview Terrace and Englewood West Apartments. PH tenant rents are declining due to less income (the PH subsidy calculation is based on a rolling three-year average, so it takes time to recoup sudden decreases in tenant rents).

Operating Grants (\$1,073,371)

HUD operating grants that support the Public Housing, Resident Self Sufficiency programs funding primarily payroll and soft costs. These also included funding for operational costs from the VRAP, HRAP and Security Deposit program.

Central Office Fees (\$1,347,269)

Fees paid by the Public Housing, Capital Fund program, Housing Choice Voucher program, Section 8 Moderate Rehabilitation program, Englewood West and Southview Terrace budgets to support centralized administrative costs. This fund also includes fees from partnerships (Southfair, Parkway West, Parkway East & Robert Lindsey Tower) and managed properties (Englewood East/Hawthorne House/Doral House). The Central Office was split between Federal and non-federal programs to align with HUD’s signaled expectation to see the Federal funding segregated.

Development Fees (\$0,000)

These fees are earned upon completion of a new housing project or paid later if deferred as cash flow allows. Based upon conservation projections of LIHTC projects, no fees have been budgeted for receipt this fiscal year.

Fraud Recovery (\$9,750)

Repayments to SHA of rental assistance paid on behalf of Housing Choice Voucher program participants who misrepresented their income and/or expenses or were landlords that failed to notify SHA of tenant changes.

Family Self Sufficiency (FSS) Escrow Forfeitures (\$8,800)

This sum represents the anticipated forfeiture of funds held in escrow for FSS participants. Deposits are made to the FSS escrow as FSS participants increase income and pay higher rents resulting in subsidy savings. The forfeiture occurs when an FSS participant fails to meet their contractual goals and exits the program before completion.

Tenant Charges (\$24,400)

Charges to tenants for cleaning, painting and repair of units during occupancy or upon move-out.

Interest Income (\$35)

Estimated interest income earned on reserve funds held in the Authority's various programs. HUD restricts investments to U.S. Treasuries or government-backed agencies.

Laundry Income (\$5,400)

Income from coin-operated laundries located at owned housing and public housing properties.

Other Income (\$15,675)

Miscellaneous rebates, insurance reimbursement, landlord repayments and collection of accounts after write-off.

Total Revenue (\$28,064,930)

EXPENDITURES

Housing Assistance Payments (\$20,617,784)

Rent subsidies and/or security deposits paid to landlords on behalf of eligible renters for Voucher, Moderate Rehabilitation and grant programs. These expenditures are offset by revenues allocated for Housing Assistance Subsidy.

Family Self Sufficiency (FSS) Escrow Deposits (\$202,900)

Deposits held for and paid to those enrolled in the Voucher and Public Housing Family Self Sufficiency (FSS) program. As FSS families increase earnings and pay higher rents, the rent subsidy savings are placed in escrow for release to the family when graduating from the program.

Personnel Services (\$3,873,355)

Salaries and fringe benefit costs paid to Housing Authority employees. Budget projections were made to cover estimated merit increases and benefit cost adjustments anticipated through the 2018-2019 fiscal year for 48 FTE (full time equivalent) positions.

Central Office Fees (\$1,189,391)

Fees paid by the housing properties under management and by the Housing Choice Voucher, Public Housing, Capital Fund, Owned Housing, Grants and Moderate Rehabilitation programs to the Central Office. Does not include fees paid by partnerships/managed properties. These expenses are shown in the entity's own budgets.

Other Administrative Costs (\$611,025)

Other administrative costs include legal services, audit fees, travel and training expenses, technical publications, dues, office supplies, office equipment maintenance, printing, postage and telecommunications. This also includes costs associated with grant supported positions and costs with outside partner agencies.

Other Tenant Services (\$215)

This amount is set aside for Public Housing tenant training.

Utilities (\$123,715)

Utilities include all Authority-paid utility costs, excluding garbage. Utility costs are incurred at the Authority's office, Public Housing, Southview Terrace and Englewood West common areas and in vacant units. Also includes street lighting charges for PH and Owned units.

Repairs and Maintenance (\$523,265)

Materials and contracts required for preventive, turnover and work order maintenance of Public Housing, Southview Terrace, and Englewood West units. Maintenance contracts include vehicle maintenance, pest control, elevator maintenance and garbage collection costs.

Portability Fees - Outgoing (\$60,000)

Administrative fees paid by the Salem Housing Authority to outside housing authorities that receive a Voucher client who has moved from Salem and choose to bill SHA rather than issue their own agency's voucher. These costs have becoming increasingly larger and SHA has made efforts to work with outside PHAs to have client absorbed; relieving SHA of the burdened cost.

Other Operating Expenses (\$219,378)

This cost category includes (1) insurance premiums paid for property, general liability, automobile, flood, fidelity bond, and errors and omissions coverage through the Housing Authorities Risk Retention Pool, (2) a Public Housing “Payment In Lieu of Taxes” (PILOT) to the City of Salem, which is determined by a formula that equates to 10 percent of tenant rents for Public Housing units less utility costs, and (3) collection losses for unpaid rent and vacate charges.

Total Expenses (\$27,421,028)**Net Operating Income (\$643,902)****Debt Service (\$100,939)**

Included here are scheduled payments of principal and interest to: (1) City of Salem for HOME loan on Parkway Village and (2) Columbia Bank for the Englewood West and Southview Terrace mortgages.

Reserve Interest (Restricted) (\$6)

Interest earned on reserve funds that must be allocated to restricted project reserves at year-end.

Housing Assistance Payments Reserves (Restricted) (-\$219,887)

SHA anticipates that there will be no unspent HAP at the end of FY2017-18 to increase the “net restricted position” (NRP) reserve in the Voucher program at the start of FY 2017-2018. To maximize our assistance and maintain leasing and funding levels, SHA will utilize most, if not all reserved HAP funding.

Other Restricted Funds (\$140,921)

This expense includes any remaining unspent individual program funds as well as replacement reserve deposits or draws for Owned Housing properties.

Capital Outlay/Improvements (\$621,929)

This expense includes fixed asset acquisition and improvements to Authority-owned property. The majority of the capital improvement expenditures are paid under the Capital Fund Program on behalf of Public Housing.

Net Cash Flow (\$0)

All budgets are “break-even”.

CONSOLIDATED BUDGET
Fiscal Year Beginning October 1, 2018
Three year comparison

	2016/17 Actual	2017/18		2018/19 Proposed Budget
		Budget	Estimated Fiscal Year End	
Cash Based				
REVENUE				
<u>Subsidies:</u>				
Hsg Assist Payments	17,254,925	17,011,943	18,446,190	20,567,897
Hsg Assist Admin Fees	2,121,034	2,054,373	2,277,177	2,143,964
Public Housing Operating	1,108,279	966,354	1,047,024	1,045,970
Public Housing Capital Fund	122,186	1,077,011	211,840	434,479
<u>Other:</u>				
Tenant rents (net)	1,424,029	1,334,620	1,504,636	1,387,920
Operating Grants	303,652	532,353	1,438,846	1,073,371
Central Office Fees	1,165,068	1,252,068	1,148,120	1,347,269
Development Fees	268,519	75,000	0	0
Fraud Recovery	35,839	7,000	13,341	9,750
FSS Forfeitures	20,506	6,500	20,902	8,800
Tenant charges	38,306	23,200	40,041	24,400
Interest	284,462	40	78	35
Laundry	5,588	5,680	5,575	5,400
Other	140,767	20,600	1,428,984	15,675
Total Revenue	24,293,159	24,366,742	27,582,754	28,064,930
EXPENSE				
Housing Assistance Payments	16,740,486	16,998,690	19,431,550	20,617,784
FSS escrow deposits	209,953	192,350	220,226	202,900
Personnel services	3,204,145	3,297,177	3,398,441	3,873,355
Central Office Fees	999,653	1,040,830	1,265,066	1,189,391
Other administrative	325,521	349,923	994,499	611,025
Other tenant services	346	215	417	215
Utilities	120,522	132,490	106,791	123,715
Repairs and maintenance	513,879	504,985	461,228	523,265
Port fees (outgoing)	38,921	32,000	58,725	60,000
Other operating	230,492	175,184	169,224	219,378
Total Expense	22,383,917	22,723,844	26,106,167	27,421,028
Net Operating Inc/Exp	1,909,241	1,642,898	1,476,587	643,902
Debt service	110,476	100,939	100,880	100,939
Reserves Interest (restricted)	6	10	6	6
HAP reserves (restricted)	347,760	(72,174)	(370,110)	(219,887)
Other restricted funds/rsv dep	1,028,288	247,028	1,528,147	140,915
Capital outlay/improvements	422,711	1,367,095	217,664	621,929
Net Cash Flow	0	0	0	0

CONSOLIDATED OPERATING PROGRAM BUDGET
Fiscal Year Beginning October 1, 2018

75.45%

Cash Based

REVENUE

Subsidies:

Housing Assistance Subsidy (HAP)

Admin Fee Subsidy

Public Housing Subsidy

Public Housing Capital Fund

Other:

Tenant Rents (net)

Operating Grants

Central Office Fees

Development Fees

Fraud Recovery

FSS Forfeitures

Tenant Charges

Interest

Laundry

Other

Total Revenue

EXPENSE

Housing Assistance Payments

FSS Escrow Deposits

Personnel services

Central Office Fees

Other administrative

Other tenant services

Utilities

Repairs and maintenance

Port fees (outgoing)

Other operating

Total Expense

Net Operating Inc/Exp

Debt service

Reserves Interest (restricted)

HAP reserves (restricted)

Other restricted funds/rsv dep

Capital outlay/improvements

Net Cash Flow

2018/19 Proposed Budget	Central Office		SHA Owned Housing	Federal Housing Programs			Grants & Other Programs
	Federal	Affordable Hsg		Public Housing	Vouchers	Mod Rehab	
Housing Assistance Subsidy (HAP)	20,567,897				18,329,863	122,616	2,115,418
Admin Fee Subsidy	2,143,964				2,115,431	28,533	
Public Housing Subsidy	1,045,970			997,695			48,275
Public Housing Capital Fund	434,479						434,479
Tenant Rents (net)	1,387,920		623,420	764,500			
Operating Grants	1,073,371						1,073,371
Central Office Fees	1,347,269	948,840	398,429				
Development Fees	0		0				
Fraud Recovery	9,750				9,750		
FSS Forfeitures	8,800			1,300	7,500		
Tenant Charges	24,400		1,000	23,400			
Interest	35	0	25	10	0	0	0
Laundry	5,400		5,400				
Other	15,675	0	0	675	15,000	0	
Total Revenue	28,064,930	948,840	398,454	1,787,570	20,477,544	151,149	3,671,543
Housing Assistance Payments	20,617,784				18,379,750	122,616	2,115,418
FSS Escrow Deposits	202,900			32,900	170,000		
Personnel services	3,873,355	948,665	374,318	550,035	1,188,929	15,463	624,803
Central Office Fees	1,189,391		62,342	216,685	676,121	7,759	226,484
Other administrative	611,025	34,314	21,012	57,071	144,145	3,164	311,902
Other tenant services	215			215			0
Utilities	123,715	4,500	57,750	57,725	2,950	790	0
Repairs and maintenance	523,265	5,690	108,215	393,650	15,500	210	0
Port fees (outgoing)	60,000				60,000		
Other operating	219,378	2,795	500	18,312	8,034	187	0
Total Expense	27,421,028	995,964	414,235	1,497,831	20,645,429	150,189	3,278,607
Net Operating Inc/Exp	643,902	(47,124)	(15,781)	289,739	(167,885)	960	392,936
Debt service	100,939		94,559				
Reserves Interest (restricted)	6	6,380	6				0
HAP reserves (restricted)	(219,887)				(219,887)		
Other restricted funds/rsv dep	140,915	783	96,492	169,739	34,387	960	(41,543)
Capital outlay/improvements	621,929	25,545	24,290	120,000	17,615		434,479
Net Cash Flow	0	(73,452)	73,452	0	0	0	0

CENTRAL OFFICE (Federal and Affordable Housing)

The Central Office budgets represent the Housing Authority's centralized administrative functions. The Central Office was originally established to conform to HUD's Public Housing program requirements and was later split in FY 2014 to separate Federal and non-federal sources of funding to conform with HUD's upcoming changes to Central Office funding from federal sources.

The Central Federal budget receives management fees from Federal programs such as the Public Housing, Capital Fund, Voucher and Moderate Rehabilitation programs. Central Federal expenses reflect indirect agency staffing (Housing administrator and others) and associated administrative cost for federal programs.

The Central Affordable budget receives management fees from Owned Housing (Englewood West and Southview Terrace properties), Managed properties (Doral House, Hawthorne House and Englewood East), SHA Affordable Housing (Southfair, Parkway West, Parkway East and Robert Lindsey Towers) and Grant programs. This section also receives development fees as earned from housing construction projects as cash flow allows.

Staffing assigned to this section directly support Affordable Housing properties from the Central personnel assigned. This would include the prorations of the Property Manager, Asset Manager and Compliance Manager's time. This section also includes associated administrative costs.

CENTRAL (FEDERAL) BUDGET
Fiscal Year Beginning October 1, 2018
Three year comparison

	2016/17 Actual	2017/18		2018/19 Proposed Budget
		Budget	Estimated Fiscal Year End	
Cash Based				
REVENUE				
<u>PH Central Office Fees:</u>				
PH Mgmt Fee	161,736.63	166,000	164,433	166,000
PH Bookkeeping Fee	21,217.50	21,285	21,528	21,285
PH Asset Mgmt Fee	29,400.00	29,400	29,400	29,400
Total PH Central Office Fees	212,354.13	216,685	215,361	216,685
<u>Other Fees/Income:</u>				
Voucher Central Office Fees	458,254.01	403,225	444,096	423,086
Voucher Acctg Fees	270,570.00	250,373	263,060	253,035
Mod Central Office Fees	6,948.75	7,300	6,940	5,419
Mod Acctg Fees	3,240.00	3,240	3,090	2,340
CFP Central Office Fees	39,300.00	48,275	48,275	48,275
Interest	0.00	0	0	0
Other	145.00	0	0	0
Total Other Fees/Income	778,457.76	712,413	765,461	732,155
Total Revenue	990,811.89	929,098	980,823	948,840
EXPENSE				
<u>Personnel services</u>				
Administrative	941,950.47	869,252	790,948	948,665
Total personnel services	941,950.47	869,252	790,948	948,665
<u>Other administrative costs</u>				
Legal services	187.08	400	0	100
Payroll/HR services	7,343.09	6,571	8,031	3,342
Audit	1,462.78	1,488	1,425	1,376
Training/travel	9,309.99	6,149	8,784	6,149
Office/mtg supplies	4,850.43	4,200	3,084	4,200
Computer equip and software	812.80	1,000	3,996	1,000
Computer maint/repairs	6,245.49	4,980	7,104	4,642
Office equip	0.00	50	3,500	50
Office equip maint/repairs	173.68	100	300	100
Postage	2,570.26	2,400	927	2,400
Printing	1,099.39	1,150	1,500	1,150
Advertising	229.64	200	0	200
Dues	3,222.73	2,100	3,500	2,100
Publications	402.08	220	252	220
Telecommunications	7,579.17	7,085	8,556	7,085
Bank service chgs	0.00	200	500	200
Background checks	30.00	0	240	0
Total other admin costs	45,518.61	38,293	51,699	34,314
<u>Utilities</u>				
Electricity	2,553.74	2,950	2,200	2,950
Gas	308.65	500	468	500
Water	227.93	300	144	300
Sewer	464.95	750	414	750
Total Utilities	3,555.27	4,500	3,226	4,500

CENTRAL (FEDERAL) BUDGET
Fiscal Year Beginning October 1, 2018
Three year comparison

	2016/17 Actual	2017/18		2018/19 Proposed Budget
		Budget	Estimated Fiscal Year End	
<u>Cash Based</u>				
<u>Maintenance</u>				
<u>Materials:</u>				
Plumbing Parts & Supplies	0.00	0	0	0
Heating Parts & Supplies	0.00	0	0	0
Electrical Parts & Supplies	0.00	0	0	0
Locks and keys	0.00	0	0	0
Small tools	0.00	0	0	0
Pest prevention	0.00	0	0	0
Bldg supplies	2,680.74	1,200	0	1,200
Janitorial supplies	961.12	750	700	750
Uniforms and protective clothing	0.00	0	0	0
Total repairs materials	3,641.86	1,950	700	1,950
<u>Contracts:</u>				
Vehicle maint/gas	463.52	450	588	450
Heating Service & Repair	0.00	0	0	0
Plumbing Service & Repair	1,865.52	0	0	0
Bldg repairs	0.00	1,000	2,850	1,000
Carpet and drapery cleaning	0.00	0	0	0
Fire system maintenance	231.09	40	50	40
Garbage/recycling	2,233.43	2,250	3,140	2,250
Total repairs contracts	4,793.56	3,740	6,628	3,740
Total repairs and maintenance	8,435.42	5,690	7,328	5,690
<u>Other operating expenses</u>				
<u>Insurance:</u>				
Property/Liability	3,109.55	2,622	2,100	2,142
Vehicles	715.33	658	640	653
(Gain)/Loss on disposal of equip	(3,097.63)	0	0	0
Total other operating expenses	727.25	3,280	2,740	2,795
Total Expense	1,000,187.02	921,015	855,941	995,964
Net Operating Income/Expense	(9,375.13)	8,083	124,882	(47,124)
Other restricted funds (incr/decr)	0.00	783	119,996	783
Transfers from Central/Affordable	(14,420.00)	0	0	(73,452)
Capital outlay/improvements	5,044.87	7,300	4,886	25,545
Net Cash Flow	0.00	0	0	0

CENTRAL (AFFORDABLE HSG) BUDGET
Fiscal Year Beginning October 1, 2018
Three year comparison

	2016/17 Actual	2017/18		2018/19 Proposed Budget
		Budget	Estimated Fiscal Year End	
Cash Based				
REVENUE				
<u>Property Mgmt Fees:</u>				
Englewood East (NP)	32,703.98	31,922	33,006	32,745
Hawthorne House (NP)	810.96	816	835	811
Doral Hse (City owned)	2,460.00	2,520	2,520	2,520
Englewood West (Owned)	28,849.35	29,284	29,318	29,164
Southview Terrace (Owned)	32,767.51	33,178	33,130	33,178
Southfair (TC)	8,536.51	8,842	8,356	8,842
RLT (TC)	33,689.70	37,040	34,322	37,040
Parkway West (TC)	45,715.99	43,842	45,978	47,300
Parkway East (TC)	27,567.38	25,656	27,507	28,020
Total Prop Mgmt Fees	213,101.38	213,100	214,972	219,620
<u>Other Fees/Income:</u>				
Acctg Reimb (HH)	600.00	600	600	600
Grant Mgmt Fees	43,113.37	109,270	171,140	178,209
Interest	284,252.01	20	30	25
Development Fees Earned	268,518.96	75,000	0	0
Other	28,072.33	0	1,219,884	0
Total Other Fees/Income	624,556.67	184,890	1,391,654	178,834
Total Revenue	837,658.05	397,990	1,606,626	398,454
EXPENSE				
<u>Personnel services</u>				
Administrative	205,052.50	279,240	325,640	353,658
Admin-Grant Mgmt	2,438.02	5,651	2,917	20,660
Total personnel services	207,490.52	284,891	328,557	374,318
<u>Other administrative costs</u>				
Legal services	0.00	500	408,000	1,500
Payroll/HR services	0.00	0	0	1,955
Audit	401.41	734	4,395	708
Training/travel	0.00	6,900	8,829	8,500
Office/mtg supplies	457.27	0	3,927	2,750
Computer maint/repairs	1,656.90	8,081	899	5,679
Printing	12.00	0	0	150
Advertising	0.00	350	786	400
Dues	300.00	300	105	250
Publications	0.00	0	0	300
Bank service chgs	9,622.92	14,225	12,148	14,225
Grant program supplies/VIDA	0.00	0	459	2,500
Property Mgmt exp	1,041.30	500	96	500
Total other admin costs	13,491.80	31,590	439,643	39,417

CENTRAL (AFFORDABLE HSG) BUDGET
Fiscal Year Beginning October 1, 2018
Three year comparison

	2016/17 Actual	2017/18		2018/19 Proposed Budget
		Budget	Estimated Fiscal Year End	
<u>Cash Based</u>				
<u>Maintenance</u>				
Bldg repairs	812.49	0	2,850	0
<u>Other operating expenses</u>				
Insurance	1,287.76	500	1,493	500
Total Expense	223,082.57	316,981	772,543	414,235
Net Operating Income/Expense	614,575.48	81,009	834,083	(15,781)
Debt service (prin/int)	6,380.04	6,380	6,380	6,380
Other restricted funds (incr/decr)	608,195.44	74,629	827,703	(119,903)
Transfers to Central/Federal	0.00	0	0	73,452
Capital outlay/improvements	0.00	0	0	24,290
Net Cash Flow	0.00	0	0	0

OWNED HOUSING

Englewood West Apartments

Englewood West Apartments for seniors was constructed in 1991 and was originally owned by a Low-Income Housing Tax Credit Limited Partnership with the Housing Authority as general partner and property manager. On January 1, 2007, the Englewood West Apartments Limited Partnership transferred ownership of the 54-unit complex to the Housing Authority. This property was refinanced in September of 2010 with Wells Fargo Bank with a loan maturity date of September 5, 2017 and was refinanced on July 17, 2016 with Columbia Bank due to low interest rates available and needed capital improvements (roof and heating/cooling unit replacements) with a 15 year fully amortizing loan at a 2.5% tax exempt interest rate.

Southview Terrace Apartments

Southview Terrace was constructed in 1993 and was originally owned by the Southview Terrace Apartments Limited Partnership with the Housing Authority as general partner and property manager. The limited partnership transferred ownership of the property to the Housing Authority on January 1, 2009. This property was refinanced on April 1, 2014 with Columbia Bank with a loan maturity date of April 5, 2024, when the remaining loan balance will need to be refinanced.

OWNED HOUSING BUDGETS
Fiscal Year Beginning October 1, 2018
Three year comparison

	Units: 54 60					
	2016/17 Actual	2017/18		2018/19		
		Budget	Estimated Fiscal Year End	Proposed Budget	Englewood West	Southview Terrace
<u>Cash Based</u>						
REVENUE						
Contract Rents	628,020.00	628,020	628,200	628,020	294,840	333,180
Less: Mgr rent	(10,560.00)	0	(1,000)	(1,200)	(1,200)	0
Less: Vacancies	(3,468.31)	(3,400)	(2,800)	(3,400)	(2,000)	(1,400)
Tenant Rents (net)	613,991.69	624,620	624,400	623,420	291,640	331,780
Laundry Income	5,587.89	5,680	5,575	5,400	3,200	2,200
Interest Income	3.97	10	4	4	2	2
Interest Income (reserves)	5.97	10	6	6	3	3
Other Inc - tenant charges	2,332.67	1,000	9,000	1,000	500	500
Total Revenue	621,922.19	631,320	638,985	629,830	295,345	334,485
EXPENSE						
<u>Personnel services</u>						
Administrative	76,971.20	117,443	77,000	82,760	40,691	42,069
Maintenance	79,606.27	85,928	95,000	88,382	36,525	51,857
Total personnel services	156,577.47	203,371	172,000	171,142	77,216	93,926
<u>Central Office Fees:</u>						
Central Office Mgmt fees	61,398.19	62,462	62,440	62,342	29,164	33,178
Total Central Office fees	61,398.19	62,462	62,440	62,342	29,164	33,178
<u>Other administrative costs</u>						
Legal services	0.00	50	430	125	25	100
Payroll/HR services	1,716.37	1,888	1,960	1,556	705	851
Audit	686.18	1,011	690	913	428	485
Travel/Training	1,901.76	1,285	5,550	1,975	916	1,059
Office supplies	879.73	1,000	910	1,000	500	500
Comp Equip & S/W	157.78	300	850	4,633	2,236	2,397
Computer maintenance	753.59	6,005	1,600	1,500	750	750
Office Equip maint/repairs	1,027.28	960	210	400	200	200
Postage	695.55	800	380	450	225	225
Printing	293.09	400	225	300	150	150
Advertising	335.65	180	285	220	120	100
Dues	672.93	745	650	650	300	350
Publications	55.70	250	250	250	125	125
Telecommunications	3,100.91	3,215	2,400	3,000	1,500	1,500
Cable (Comm room)	512.53	480	640	650	325	325
Interpreters	304.56	240	0	100	50	50
Background checks	794.00	800	375	440	220	220
LIHTC monitoring fee (OHCS)	2,850.00	2,850	2,850	2,850	1,350	1,500
Total other admin costs	16,737.61	22,459	20,255	21,012	10,125	10,887
<u>Utilities</u>						
Electricity	17,423.58	19,700	17,500	18,650	8,950	9,700
Gas	7,102.05	7,900	6,550	7,000	3,250	3,750
Water	17,021.11	19,350	18,750	16,000	8,450	7,550
Sewer	16,378.86	19,350	13,700	16,100	8,500	7,600
Total Utilities	57,925.60	66,300	56,500	57,750	29,150	28,600
<u>Repairs and maintenance</u>						
<u>Materials:</u>						
Plumbing Parts & Supplies	5,018.44	1,500	1,600	1,500	900	600
Heating Parts & Supplies	1,153.96	500	1,500	1,250	750	500
Electrical Parts & Supplies	2,859.05	1,700	2,200	1,650	900	750
Appliances	3,859.00	5,000	10,000	8,500	5,000	3,500
Appliance parts	542.63	800	925	900	450	450

OWNED HOUSING BUDGETS
Fiscal Year Beginning October 1, 2018
Three year comparison

	Units: 54 60					
	2016/17 Actual	2017/18		2018/19		
		Budget	Estimated Fiscal Year End	Proposed Budget	Englewood West	Southview Terrace
Cash Based						
Locks and keys	508.00	425	430	425	225	200
Small tools	1,069.79	600	420	500	250	250
Pest prevention	179.55	100	230	600	300	300
Grounds supplies	316.80	1,500	100	300	150	150
Barkdust	0.00	3,500	0	3,000	1,500	1,500
Building supplies	2,775.81	2,000	8,600	3,000	1,500	1,500
Painting supplies	1,913.19	1,000	2,100	2,400	1,200	1,200
Janitorial supplies	236.63	400	120	200	100	100
Vertical blinds and draperies	360.26	550	45	350	150	200
Uniforms and protective clothing	0.00	150	25	100	50	50
Signage	0.00	250	50	240	120	120
Total repairs materials	20,793.11	19,975	28,345	24,915	13,545	11,370
Contracts:						
Contract Labor (temps)	8,433.07	0	320	0	0	0
Vehicle maint/gas	2,306.43	2,400	1,105	2,400	1,200	1,200
Equipment rent and repair	(8.78)	100	0	150	50	100
Electrical Service & Repair	550.96	500	675	700	350	350
Heating Service & Repair	1,084.16	400	0	400	200	200
Plumbing Service & Repair	8,230.15	500	1,400	1,000	500	500
Appliance repairs	0.00	300	0	300	150	150
Glass replacements	372.00	700	0	700	350	350
Carpet and drapery cleaning	2,176.60	1,700	630	2,000	1,000	1,000
Unit cleaning	3,222.00	2,500	1,725	2,000	1,000	1,000
Floor coverings/repairs	2,206.20	2,000	5,000	2,400	1,200	1,200
Door/countertop repairs	2,317.10	3,000	150	3,000	1,500	1,500
Building repairs	704.89	900	180	900	600	300
Janitorial services-common areas	11,880.00	12,000	11,880	12,000	6,000	6,000
Laundry service	1,630.62	1,700	1,000	1,600	800	800
Painting - interiors	4,100.00	2,600	1,950	2,300	1,200	1,100
Pest treatment	12,958.06	3,000	15,900	15,000	7,500	7,500
Grounds	11,715.00	5,500	15,250	13,250	7,500	5,750
Fire system maint	5,272.10	8,400	4,500	7,600	3,800	3,800
Elevator maint/repairs	9,743.93	5,800	25,700	6,000	3,000	3,000
Elevator phone	1,181.34	1,250	1,070	1,200	400	800
Window cleaning	0.00	0	0	0	0	0
Garbage/recycling	7,563.04	7,300	8,400	8,400	3,500	4,900
Total repairs contracts	97,638.87	62,550	96,835	83,300	41,800	41,500
Total repairs and maintenance	118,431.98	82,525	125,180	108,215	55,345	52,870
Other operating expenses						
Insurance:						
Property/Liability	16,348.14	16,848	16,800	17,312	9,425	7,887
Professional Services	25,185.28	0	0	0	0	0
Bad Debt Write off	1,034.44	1,000	400	1,000	500	500
Total other operating expenses	42,567.86	17,848	17,200	18,312	9,925	8,387
Total Expense	453,638.71	454,965	453,575	438,773	210,925	227,848
Net Operating Income/Expense	168,283.48	176,355	185,410	191,057	84,420	106,637
Debt service (prin/int)	104,095.97	94,559	94,500	94,559	48,162	46,397
Interest Income rsvs (restricted)	5.97	10	6	6	3	3
Other restricted funds (incr/decr)	39,806.74	41,886	51,004	56,592	17,355	39,237
Reserve deposits	39,900.00	39,900	39,900	39,900	18,900	21,000
Reserve draws	(261,171.86)	0	0	0	0	0
Capital outlay/improvements	245,646.66	0	0	0	0	0
Net Cash Flow	0.00	0	0	0	0	0

FEDERAL HOUSING PROGRAMS

Public Housing

The Authority currently owns and manages 245 units of HUD subsidized public housing located in Salem and Keizer. These projects are referred to as follows:

Multi-family apartment sites	6 locations totaling 158 family units built in 1972
Scattered sites	52 family units acquired and renovated in 1978 20 family units constructed in 1985 15 family units acquired and renovated in 1987

Construction and acquisition costs for these units were funded through 40-year contracts with the federal government. These loans were “forgiven” by HUD in 1993.

Operating revenue for these units is provided chiefly by tenant rents and a subsidy determined by the HUD. Eligible applicants must have annual gross income not exceeding 80 percent of area median income. The unit count of 245 does not include Orchard Village (30 units) which was demolished for future redevelopment in September 2009, which remains an asset of Public Housing. SHA received 30 replacement vouchers for Orchard Village effective July 1, 2009.

SHA has been awarded a RAD CHAP on February 22, 2017 to renovate all multi-family apartments except Shelton Village and convert them to Section 8 Project based subsidy in lieu of public housing operating subsidy. SHA has secured financing plans and anticipates a start of construction to occurred near the end of FY 2018-2019. SHA also received a Phase II RAD to sell all remaining scattered site public housing units after new construction is built, which will also utilize Section 8 project-based rental voucher subsidized units to the tenants and to pay off the construction loans on the new housing. Phase II RAD will not occur within FY 2018-2019.

PUBLIC HOUSING BUDGET Fiscal Year Beginning October 1, 2018 Three year comparison

	2016/17 Actual	2017/18		2018/19 Proposed Budget
		Budget	Estimated Fiscal Year End	
<u>Cash Based</u>				
REVENUE				
Public Housing Subsidy:				
PH Unit Subsidy	1,048,741.43	910,747	997,006	987,071
PH audit reimb	4,837.51	2,493	4,565	5,058
Resident participation subsidy	6,486.06	4,839	6,153	5,566
Total PH Operating Subsidy	1,060,065.00	918,079	1,007,724	997,695
% HUD funding	90.21%	82.0%	93.39%	94.0%
Tenant Rents (net)	810,036.95	710,000	880,236	764,500
Interest	185.57	0	15	0
Tenant Charges	35,972.88	22,200	31,041	23,400
FSS forfeits	9,062.81	1,500	5,102	1,300
Other	16,344.76	600	3,170	675
Total Revenue	1,931,667.97	1,652,379	1,927,288	1,787,570

PUBLIC HOUSING BUDGET
Fiscal Year Beginning October 1, 2018
Three year comparison

	2016/17 Actual	2017/18		2018/19 Proposed Budget
		Budget	Estimated Fiscal Year End	
<u>Cash Based</u>				
EXPENSE				
FSS Escrow Deposits (net)	43,274.25	42,350	31,747	32,900
<u>Personnel services</u>				
Administrative	222,038.08	171,805	248,016	249,287
Unemployment Insurance	0.00	0	0	0
Maintenance	270,498.74	282,923	286,007	300,749
Total personnel services	492,536.82	454,728	534,023	550,035
<u>Central Office Fees:</u>				
PH Central Mgmt Fee	155,694.33	166,000	164,415	166,000
PH Central Acctg Fee	21,532.50	21,285	21,546	21,285
PH Central Asset Mgmt Fee	29,400.00	29,400	29,400	29,400
Total Central Office fees	206,626.83	216,685	215,361	216,685
<u>Other administrative costs</u>				
Legal services	49.47	200	0	200
Payroll/HR services	7,282.47	3,413	4,445	3,389
Audit	3,121.75	3,925	2,505	3,200
Travel/Training	1,488.90	895	1,726	5,200
Office supplies	3,077.67	1,675	901	1,675
Computer equip & S/W	6,631.68	1,000	1,778	2,000
Computer maint/repairs	3,475.81	11,422	4,738	5,432
Office equipment	0.00	350	0	350
Office equip maint/repairs	175.06	110	100	110
Postage	3,696.34	4,260	2,818	4,000
Printing	628.62	900	300	900
Advertising	621.84	1,785	828	1,785
Dues	2,083.02	2,205	1,727	2,205
Publications	49.28	440	143	440
Telecommunications	17,788.23	17,060	13,114	17,060
Interpreters	165.40	200	409	200
Background checks	686.10	700	178	700
Bank service chgs	10,286.28	7,975	12,370	7,975
Collection and court fees	1,366.00	250	166	250
Total other admin costs	62,673.92	58,765	48,246	57,071
<u>Other tenant services:</u>				
Resident Activities	346.00	215	417	215
Total Other tenant services	346.00	215	417	215

PUBLIC HOUSING BUDGET
Fiscal Year Beginning October 1, 2018
Three year comparison

	2016/17 Actual	2017/18		2018/19
		Budget	Estimated Fiscal Year End	Proposed Budget
<u>Cash Based</u>				
<u>Utilities</u>				
Electricity	20,495.45	23,575	21,426	23,575
Gas	2,250.91	3,300	1,058	3,300
Water	21,650.37	18,800	10,667	18,800
Sewer	11,386.38	12,050	11,080	12,050
Total Utilities	55,783.11	57,725	44,231	57,725
<u>Repairs and maintenance</u>				
<u>Materials:</u>				
Plumbing Parts & Supplies	9,880.23	17,800	6,166	14,900
Heating Parts & Supplies	2,537.64	3,635	1,407	4,015
Electrical Parts & Supplies	11,881.68	12,700	6,941	12,700
Appliances	14,898.10	24,900	17,558	21,000
Appliance parts	5,506.99	12,700	6,287	8,500
Locks and keys	2,049.22	4,000	2,005	3,600
Small tools	2,562.46	3,125	4,353	3,125
Pest prevention	49.64	500	135	500
Grounds supplies	2,707.25	6,850	2,082	6,850
Barkdust	15,311.58	5,800	0	1,400
Building supplies	18,468.65	20,800	14,889	20,800
Painting supplies	10,004.39	15,000	9,003	15,000
Janitorial supplies	1,317.36	2,025	1,059	2,025
Vertical blinds and draperies	2,705.84	4,500	2,717	4,500
Uniforms and protective clothing	1,628.19	900	447	900
Signage	666.46	300	450	300
Total repairs materials	102,175.68	135,535	75,499	120,115
<u>Contracts:</u>				
Contract Labor (temps)	2,251.13	16,500	0	16,500
Vehicle maint/gas	15,752.60	12,850	11,903	12,850
Dryer Safety Plan	0.00	1,000	0	1,000
Equipment rent and repair	765.13	800	1,600	800
Electrical Service & Repair	3,218.67	4,500	570	4,500
Heating Service & Repair	6,003.50	7,500	4,382	7,500
Plumbing Service & Repair	13,553.52	7,500	18,332	7,500
Appliance repairs	670.95	1,000	137	1,000
Glass replacements	2,801.52	3,300	3,485	3,300
Fencing & Roof repairs	4,092.50	2,000	3,251	2,000
Tub & Shower refinishing	238.00	700	0	700
Garage door/wall repairs	1,537.00	500	1,560	500
Carpet and drapery cleaning	4,686.55	3,400	4,898	3,400
Unit cleaning	22,403.95	26,500	19,339	26,500

PUBLIC HOUSING BUDGET
Fiscal Year Beginning October 1, 2018
Three year comparison

	2016/17 Actual	2017/18		2018/19 Proposed Budget
		Budget	Estimated Fiscal Year End	
<u>Cash Based</u>				
Laundry service	6,550.28	5,800	4,600	5,800
Floor coverings/repairs	16,846.11	4,600	14,141	4,000
Bldg repairs	15,213.53	29,000	11,128	29,000
Painting - interiors	22,196.28	22,600	14,896	22,600
Painting - exteriors	0.00	1,000	1,728	1,000
Pest treatment	10,317.32	12,200	9,006	7,500
Grounds	63,106.77	60,700	60,283	60,700
Fire system maintenance	442.92	175	394	175
Janitorial services	0.00	200	0	200
Medical testing/vaccines	0.00	10	0	10
Garbage/recycling	56,220.11	45,650	50,501	54,500
Total repairs contracts	268,868.34	269,985	236,134	273,535
Total repairs and maintenance	371,044.02	405,520	311,633	393,650
<u>Other operating expenses</u>				
Insurance:				
Property/Liability	31,538.17	28,420	33,863	56,502
Vehicles	3,046.32	3,925	2,543	3,547
Flood	17,449.81	18,900	18,455	20,000
Payment in lieu of taxes	75,141.20	63,712	75,141	79,000
Gain/Loss on disposal of equip	7,200.98	0	0	0
Professional Fees	0.00	0	0	0
Bad Debt Write Offs	42,712.93	29,600	9,730	30,500
Total other operating expenses	177,089.41	144,557	139,732	189,550
Total Expense	1,409,374.36	1,380,545	1,325,390	1,497,831
Net Operating Inc/Expense	522,293.61	271,834	601,898	289,739
Other restricted funds (incr/decr)	430,544.87	272,354	553,160	170,255
Reserve draws/subsidy offset	2,615.00	(520)	(475)	(516)
Capital outlay/improvements	89,133.74	0	49,213	120,000
Net Cash Flow	0.00	0	0	0

Section 8 Housing Choice Voucher Program

Housing Choice Vouchers (Vouchers) offer financial assistance to households receiving less than 50 percent of area median income. Under the program, the Authority provides a subsidy that is the difference between the “payment standard” established for a given unit size and up to 40 percent of the participant’s income. The Authority is responsible to maintain a program waiting list, determine the applicant’s eligibility, inform the applicant of program requirements, ensure that the rental unit selected by the participant meets housing quality standards and enter a housing assistance payment contract with the owner. The Authority expects to serve approximately 3,072 households with Vouchers throughout the 2018-19 fiscal year.

HOUSING CHOICE VOUCHER PROGRAM Fiscal Year Beginning October 1, 2018 Three year comparison

	2016/17 Actual	2017/18		2018/19 Proposed Budget
		Budget	Estimated Fiscal Year End	
Cash Based				
REVENUE				
VOUCHER SUBSIDY:				
<u>Housing Assistance Payments (HAP):</u>				
HCV HAP Subsidy (restricted)	16,620,731.00	16,313,303	17,779,600	17,878,663
Mainstream 5 yr HAP Subsidy (restricted)	446,203.46	451,200	444,211	451,200
Total Housing Assistance Payments (HAP)	17,066,934.46	16,764,503	18,223,811	18,329,863
<u>Admin Fees:</u>				
HCV Admin Fees	2,007,004.95	1,944,408	2,110,464	2,040,966
DV 5 yr Admin Fees	74,210.18	71,715	74,147	74,465
Total Admin Fees	2,081,215.13	2,016,123	2,184,611	2,115,431
Calc FY admin fee proration	84.00%	77.25%	76.79%	75.45%
Special Fees	0.00	0	0	0
Total Vou subsidy	19,148,149.59	18,780,626	20,408,422	20,445,294
Interest-Admin (unrestricted)	14.33	0	23	0
Fraud Recovery Funds (1/2 restricted)	35,838.51	7,000	13,341	9,750
FSS Escrow Forfeitures (restricted)	11,443.05	5,000	15,800	7,500
Other-HAP (restricted)	34,987.87	20,000	27,809	15,000
Other-Admin (port-in fees/misc)	18,103.65	0	6,981	0
Total Revenue	19,248,537.00	18,812,626	20,472,376	20,477,544
EXPENSE				
Housing Assistance Payments-HCV	16,099,522.71	16,300,050	17,915,789	17,928,550
FSS Escrow Deposits-HCV	166,678.81	150,000	188,479	170,000
Total HAP/FSS Escrow	16,266,201.52	16,450,050	18,104,268	18,098,550
Mainstream 5 yr HAP	452,972.56	451,200	489,654	451,200
Total HAP	16,719,174.08	16,901,250	18,593,922	18,549,750

HOUSING CHOICE VOUCHER PROGRAM
Fiscal Year Beginning October 1, 2018
Three year comparison

	2016/17 Actual	2017/18		2018/19 Proposed Budget
		Budget	Estimated Fiscal Year End	
<u>Cash Based</u>				
<u>Personnel services</u>				
Administrative	1,120,955.80	1,082,388	1,211,034	1,188,929
Total personnel services	1,120,955.80	1,082,388	1,211,034	1,188,929
<u>Central Office Fees:</u>				
Central Office Mgmt Fees	415,506.04	403,225	444,097	423,086
Central Office Acctg Fees	249,442.50	250,373	263,061	253,035
Total Central Office fees	664,948.54	653,598	707,158	676,121
<u>Other administrative costs</u>				
Legal services	1,102.13	100	0	100
Payroll/HR services	13,824.01	15,975	12,919	17,512
Audit	22,874.21	29,105	21,462	28,771
Travel/Training	17,607.33	4,100	7,958	6,700
Office supplies	17,623.14	16,000	7,892	8,000
Computer equip and software	18,040.36	2,000	10,707	24,062
Computer maint/repairs	10,433.40	24,164	14,935	3,500
Office equip maint/repairs	2,800.15	2,300	1,438	1,500
Postage	22,405.13	23,000	14,864	15,000
Printing	10,347.87	8,300	8,169	8,500
Advertising	184.37	0	1,087	0
Dues	5,014.50	5,000	5,183	5,000
Publications	744.94	400	972	1,000
Telecommunications	13,029.13	11,500	13,462	13,500
Interpreters	2,397.75	2,500	1,032	1,500
Background checks	1,057.61	1,900	1,203	1,500
Bank service chgs	12,231.84	8,000	7,242	8,000
Total other admin costs	171,717.87	154,344	130,525	144,145
<u>Utilities:</u>				
Electricity	1,748.11	2,100	1,628	2,000
Gas	312.22	315	273	300
Water	144.07	210	88	150
Sewer	400.67	550	295	500
Total Utilities	2,605.07	3,175	2,284	2,950
<u>Maint Supplies/Contracts:</u>				
<u>Supplies:</u>				
Building Maint	6,038.12	1,500	3,795	4,500
Janitorial supplies	526.39	1,200	944	1,100
Total supplies	6,564.51	2,700	4,739	5,600
<u>Contracts:</u>				
Vehicle maint/gas/repairs	1,178.28	1,500	2,077	2,500
Fire System Maint	58.66	70	75	100
Janitorial services	3,305.56	3,320	3,483	3,500
Garbage/recycling	3,810.37	3,450	3,638	3,800
Total Maint Supplies/contracts	14,917.38	11,040	14,012	15,500

HOUSING CHOICE VOUCHER PROGRAM
Fiscal Year Beginning October 1, 2018
Three year comparison

	2016/17 Actual	2017/18		2018/19 Proposed Budget
		Budget	Estimated Fiscal Year End	
Cash Based				
<u>Other Operating expenses</u>				
Insurance:				
Property/Liability	7,443.05	7,592	6,903	7,041
Vehicles	1,188.80	1,213	974	993
Gain/Loss on disposal of fixed assets	0.00	0	0	0
Total other operating expenses	8,631.85	8,805	7,877	8,034
Portability fees - outgoing	38,920.85	32,000	58,725	60,000
Total Expense	18,741,871.44	18,846,600	20,725,537	20,645,429
Net Operating Income/Expense	506,665.56	(33,974)	(253,161)	(167,885)
HCV HAP reserves (restricted)	354,529.48	(72,174)	(324,667)	(219,887)
DV 5 yr HAP reserves (restricted)	(6,769.10)	0	(45,443)	0
Other restricted funds	158,905.18	28,500	116,949	34,387
Capital Outlay/Improvements	0.00	9,700	0	17,615
Net Cash Flow	0.00	0	0	0

Section 8 Moderate Rehabilitation Program

Between 1981 and 1987 the Housing Authority entered into 15-year housing assistance payment contracts with owners who rehabilitated multi-family rental units. The last of these contracts reached the end of the initial 15-year term in 2002. Those owners who elect to continue under the program are annually offered a 12-month renewal. As owners “opt out” of their contracts, HUD issues Housing Choice Vouchers to the Authority to assist tenants. The last Moderate Rehabilitation complex (10 units for families) exited contract in FY2017-2018.

The Authority also administers a 10-year contract for single-room occupancy (SRO) units for women. The complex is known as the Coral Avenue Apartments (26 subsidized and 2 non-subsidized SRO units).

MODERATE REHABILITATION PROGRAM Fiscal Year Beginning October 1, 2018 Three year comparison

	2016/17 Actual	2017/18		2018/19 Proposed Budget
		Budget	Estimated Fiscal Year End	
<u>Cash Based</u>				
REVENUE				
<u>Mod Rehab subsidy:</u>				
Housing Assistance Payments	171,823.34	193,440	165,498	122,616
Admin Fees	35,921.88	36,500	34,550	27,097
Audit Reimb	1,750.00	1,750	1,925	1,436
Total Mod Rehab subsidy	209,495.22	231,690	201,973	151,149
Interest	0.45	0	0	0
Total Revenue	209,495.67	231,690	201,973	151,149
EXPENSE				
Housing Assistance Payments	171,823.34	193,440	165,498	122,616
<u>Personnel services</u>				
Administrative	12,935.36	20,066	14,250	15,463
Total personnel services	12,935.36	20,066	14,250	15,463
<u>Central Office Fees:</u>				
Central Office Mgmt Fees	7,184.37	7,300	6,910	5,419
Central Office Acctg Fees	3,240.00	3,240	3,090	2,340
Total Central Office fees	10,424.37	10,540	10,000	7,759

MODERATE REHABILITATION PROGRAM
Fiscal Year Beginning October 1, 2018
Three year comparison

	2016/17 Actual	2017/18		2018/19 Proposed Budget
		Budget	Estimated Fiscal Year End	
<u>Cash Based</u>				
<u>Other administrative costs</u>				
Legal	1.57	50	0	50
Payroll/HR services	171.93	296	135	198
Audit	1,750.00	1,750	1,925	1,436
Travel/Training	5.98	0	50	0
Office supplies	58.69	80	70	80
Computer equip and software	141.61	20	75	20
Computer maint/repairs	103.40	239	85	245
Office equip maint/repairs	18.06	5	25	5
Postage	47.78	325	15	325
Printing	23.42	25	30	25
Advertising	0.00	0	0	0
Dues	54.62	90	60	90
Telecommunications	280.56	190	422	190
Bank service chgs	375.93	500	425	500
Total other admin costs	3,033.55	3,570	3,317	3,164
<u>Utilities:</u>				
Electricity	437.96	520	380	520
Gas	78.24	80	70	80
Water	36.10	50	25	50
Sewer	100.40	140	75	140
Total Utilities	652.70	790	550	790
<u>Maint Supplies/Contracts:</u>				
<u>Supplies:</u>				
Building Maint	99.20	30	75	30
Janitorial supplies	6.46	45	15	45
Total supplies	105.66	75	90	75
<u>Contracts:</u>				
Janitorial services	40.65	45	45	45
Fire System Maint	0.72	5	5	5
Garbage/recycling	90.54	85	85	85
Total Maint Supplies/contracts	237.57	210	225	210
<u>Other Operating expenses</u>				
<u>Insurance:</u>				
Property/Liability	187.96	194	182	187
Total other operating expenses	187.96	194	182	187
Total Expense	199,294.85	228,810	194,022	150,189
Net Operating Income/Expense	10,200.82	2,880	7,951	960
Interest Income rsvs (restricted)	0.00	0	0	0
Other restricted funds	10,200.82	2,880	7,951	960
Net Cash Flow	0.00	0	0	0

GRANT PROGRAMS

Capital Fund Program (CFP):

The Authority annually receives CFP funds under a formula grant from HUD that considers the number and type of units and the age of the agency's Public Housing stock. The funds may be used to make major physical improvements to Public Housing, management improvements that enhance the Authority's capability in operating all programs. The CFP budgets are part of the Public Housing Agency Plan, which was adopted by the Housing Authority Commission on June 12, 2017.

VIDA:

The Authority has an agreement with CASA of Oregon to facilitate Individual Development Account services for Housing Authority clients moving toward homeownership or other goals related to self-sufficiency. VIDA funds pay for the staffing costs of administering the program. The VIDA program is run in conjunction with the FSS program.

Resident (Family) Self Sufficiency Programs (ROSS):

The Authority has agreements with HUD for 136 Housing Choice Voucher and 40 Public Housing FSS families. The families voluntarily enroll in the program and agree to a plan to achieve specific goals within 5 years. As families achieve an increase in income, the subsidy savings is placed into an escrow account for the family. When the family achieves program goals, the escrow account is released to the family and is frequently used for higher education or homeownership.

Security Deposit Program:

Under this program, the Authority offers cash assistance with security deposits to households entering the Voucher program. Eligible households must lack the resources to pay a security deposit at the start of Voucher assistance. The program is funded with a HOME grant awarded by the City of Salem. Security deposit assistance is expected to total \$60,000 which will assist approximately 100 households.

Veterans Rental Assistance Program (VRAP):

SHA was awarded a two-year grant from Oregon Health Authority to provide rental assistance, barrier removal assistance and case management to homeless veterans.

Homeless Rental Assistance Program (HRAP):

SHA received a grant from the City of Salem to implement a homeless rental assistance program for the most vulnerable, hardest-to-house homeless individuals in Salem. The program provides rental assistance, barrier removal assistance and case management with a goal of serving 100 individuals in FY18-19.

GRANTS & OTHER PROGRAMS
Fiscal Year Beginning October 1, 2018
Three year comparison

2016/17 Actual	2017/18		2018/19 Proposed Budget	PH-Capital Fund			VRAP	HRAP+	VIDA	Family Self-sufficiency Program	City Security Deposit Program
	Budget	Estimated Fiscal Year End		CFP'16	CFP'17	CFP'18					
Cash Based											
REVENUES											
Capital Grants AMP1	2,749.79	428,659	0	139,295	113,111	48,275	112,912	351,000	54,000	275,240	
Capital Grants AMP3	80,136.22	648,352	163,565	182,073			411,600	1,622,000			81,818
Operating Grants	351,865.52	435,956	1,478,146				78,672	186,345	7,020		8,182
Housing Assistance	16,167.00	54,000	56,881								
Admin Fees	2,147.20	144,672	56,091								
Interest Inc (reserves)	0.00	0	0								
Total Revenues	453,065.73	1,711,639	1,754,683	321,368	113,111	48,275	603,184	2,159,345	61,020	275,240	90,000
EXPENSES											
Housing Assistance Payments	16,167.00	54,000	860,609				411,600	1,622,000			81,818
Personnel Services											
Administrative	271,698.13	382,481	347,629				0	342,543	7,020	275,240	
Total personnel services	271,698.13	382,481	347,629				0	342,543	7,020	275,240	
Central Office Fees:											
Central Office Mgmt Fees	56,255.20	97,545	270,107				43,682	126,345	0		8,182
Total Central Office fees	56,255.20	97,545	270,107				43,682	126,345	0		8,182
Other administrative costs:											
Training/travel	3,912.98	5,307	2,651								
Audit	0.00	0	0								
Office supplies	517.85	0	504								
Computer equip and software	0.00	0	0	0	0						
Printing	0.00	0	0								
Dues	0.00	0	0								
Postage	0.00	0	0								
Grant Subcontractor Fees	0.00	35,402	286,434				147,902	110,000	54,000		
Client Services	7,917.09	0	11,225								
Advertising	0.00	0	0								
Total other administrative costs	12,347.92	40,709	300,814	0	0	0	147,902	110,000	54,000		
Utilities											
Water/Sewer (SF daycare)	0.00										
Maintenance											
Supplies:											
Plumbing Parts	0.00	0	0								
Electrical Parts	0.00	0	0								
Appliances	0.00	0	0								
Appliance Parts	0.00	0	0								
Locks & keys	0.00	0	0								
Small Tools	0.00	0	0								
Grounds Supplies	0.00	0	0								
Building Supplies	0.00	0	0								
Painting Supplies	0.00	0	0								
Janitorial Supplies	0.00	0	0								
Window Coverings	0.00	0	0								
Uniforms and protective clothing	0.00	0	0								
Signage	0.00	0	0								

GRANTS & OTHER PROGRAMS
Fiscal Year Beginning October 1, 2018
Three year comparison

Cash Based 2016/17 Actual	2017/18		2018/19 Proposed Budget	PH-Capital Fund			VRAP	HRAP+	VIDA	Family Self-sufficiency Program	City Security Deposit Program
	Budget	Estimated Fiscal Year End		CFP'16	CFP'17	CFP'18					
<u>Contracts:</u>											
Vehicles maint/gas	0.00	0	0	0	0	0					
Appliance repairs	0.00	0	0								
Equipment Rental	0.00	0	0								
Electrical contracts	0.00	0	0	0	0	0					
Heating contracts	0.00	0	0								
Plumbing contracts	0.00	0	0								
Glass installations	0.00	0	0	0	0	0					
Fence repairs	0.00	0	0								
Carpet and drapery cleaning	0.00	0	0								
Unit cleaning	0.00	0	0	0	0	0					
Floor Coverings contracts	0.00	0	0								
Building repair contracts	0.00	0	0								
Painting - interiors	0.00	0	0								
Pest control contracts	0.00	0	0								
Grounds contracts	0.00	0	0								
Fire system maint contracts	0.00	0	0								
Garbage/recycling	0.00	0	0								
Total maintenance	0.00	0	0	0	0	0					
<u>Other operating expenses</u>											
Insurance	0.00		0								
Bad debt writeoff	0.00	0	0								
SF Bldg rental	0.00		0								
Total Other Operating Exp	0.00	0	0								
Total Expenses	356,468.25	574,735	1,779,159	0	0	48,275	603,184	2,200,888	61,020	275,240	90,000
Net Operating Inc/Exp	96,597.48	1,136,904	(24,476)	321,368	113,111	0	0	(41,543)	0	(0)	0
<u>Capital outlay/improvements</u>											
AMP misc capital improvements	44,290.53	48,536	4,965	96,368	0	0					
Outside Consultants	0.00	10,000	158,600	0	0	0					
Plans, printing, fees	0.00	2,000	0		0	0					
In-House Construction Insp/Supr	0.00	0	0		0	0					
Site improvements	38,215.48	219,508	0	25,000	0	0					
Dwelling structure improvements	380.00	796,967	0	200,000	113,111	0					
Dwelling equipment	0.00	0	0								
Non-dwelling structure improve	0.00	0	0								
Non-dwelling equipment	0.00	0	0								
Relocation	0.00	0	0	0	0	0					
Contingency	0.00	0	0	0	0	0					
Total capital outlay/improvements	82,886.01	1,077,011	163,565	321,368	113,111	0					
Reserves interest (restricted)	0.00	0	0								
Other restricted funds	13,711.47	59,893	(188,041)				0	(41,543)	0		
Net Cash Flow	0.00	0	0	0	0	0	0	0	0	(0)	0

MANAGED PROPERTIES

Seven (7) low-income housing developments/properties are managed by the Authority. Budgets for these developments are approved by the owners or limited partners. Brief descriptions of the properties are provided here for informational purposes only.

Hawthorne House

This single-family residence is owned by Chemeketa Non-Profit Housing Corporation. The 1996 rehabilitation of this home was financed with Community Development Block Grant a loan from the City of Salem's Urban Development Department.

Englewood East

This 50-unit complex for elderly and handicapped households was built in 1981 with funding received from the HUD Section 202 Program. Owned by Teton Non-Profit Housing Corporation, rents are subsidized through the HUD Section 8 Project Based Assistance Program.

Parkway West and Parkway East

This 124-unit family complex was constructed in 1997 and was financed with federal low-income housing tax credits and a loan from Washington Mutual Bank. The complex was owned by the Parkway Village Apartments Limited Partnership, with the Authority as both the general and limited partner with the exit of Key Corp as the limited partner on January 31, 2012. The Authority was successful in obtaining tax credits from the State of Oregon in 2013 which enabled the property to be converted into two new limited liability corporations with Wincopin Circle LLLP as the new member investor. The properties completed a major rehabilitation project in 2015. Parkway West LLC is the new owner of Parkway West. Parkway East was combined with RLT for financial viability to form Robert Lindsey Tower LLC.

Robert Lindsey Tower

This is a new multifamily limited liability corporation (with Wincopin Circle LLLP as the investor member) funded by Section 8 project-based vouchers instead of Public Housing Operating subsidy funds. The conversion was effective June 1, 2014 and included the Parkway East property as part of the new LLC. RLT's conversion occurred as part of the Rental Assistance Demonstration project (RAD) offered by HUD to move properties from Public Housing and into Project Based Section 8 contracts to allow the use of debt and other private resources to make needed renovations to the property. Rehab was completed on both properties in early 2015.

Southfair

This 40-unit complex of 1, 2 and 3 bedroom units was acquired and renovated by Southfair Apartments Limited Partnerships beginning in 1999. The property is financed with a low interest loan and low-income housing tax credits. An extensive rehab of the sidewalks, stairwells and water supply system was completed December 2014.

Doral House

This is a single-family home owned by the City of Salem and managed by SHA for a fee.