



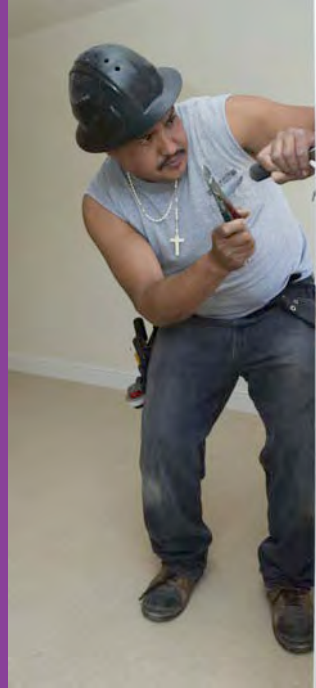
***Introduction to the
2016 Budget***

*Fresno Housing Authority
Boards of Commissioners Meeting
October 27, 2015*



Overview

- Federal Budget Update
- Projected Funding Levels & Potential Revenue Changes from 2015
- Projected Expense Levels & Initial Expenditures Changes from 2015
- 2016 Estimated Unrestricted Funds



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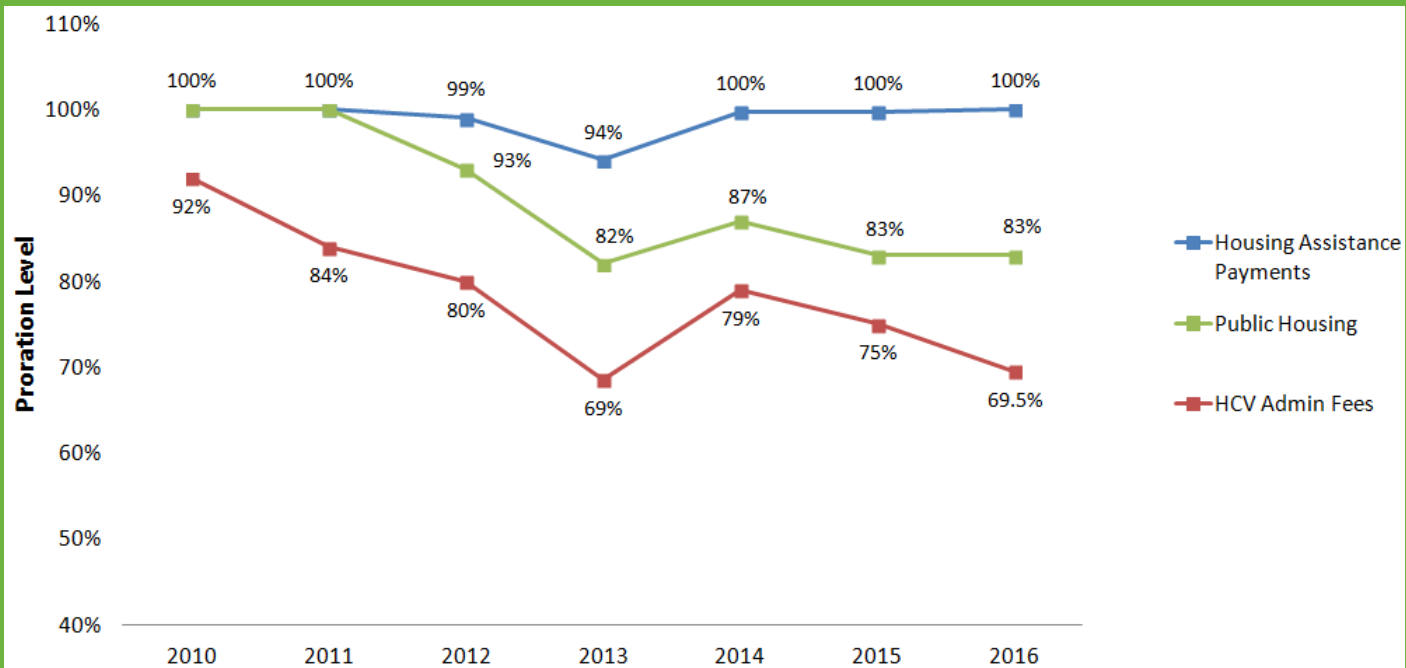
Federal Budget Update

- Continuing Resolution was passed in September to fund the government at current levels until Dec. 11, 2015.
- Upcoming Federal Budget Concerns:
 - We may be facing another CR if Congress fails to approve a FY 2016 budget by Dec 11, 2015.
 - Presidential election in 2016 could further complicate the budget negotiations
 - Potential candidates need to demonstrate their credentials by defending their constituents' principles on key issues.



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Major Programs & Historical Prorations



- 2016 Projected HAP = 100%
- 2016 Projected Low Rent Public Housing = 83%
- 2016 Projected HCV Admin Fees = 69.5%

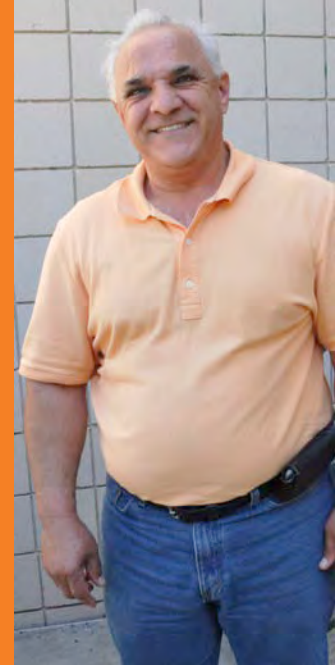


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Potential Revenue Changes

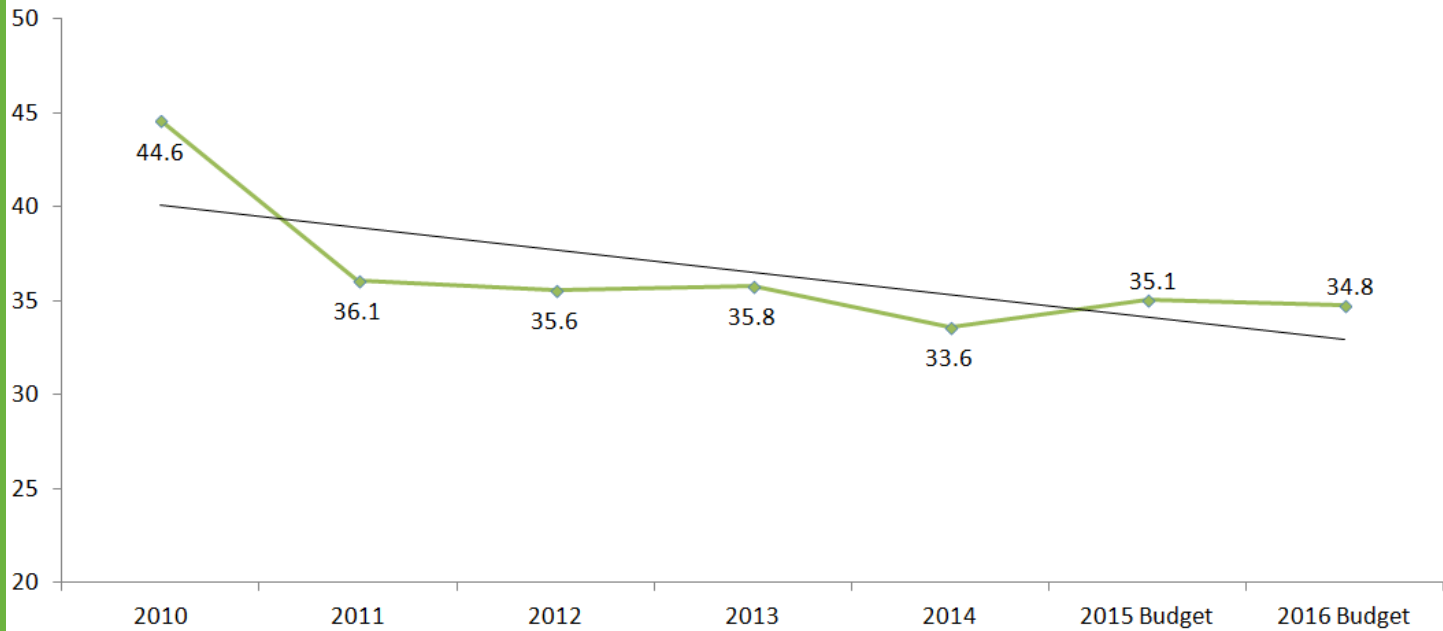
	Approved 2015 Budget	Proposed 2016 Budget	Variance
ADMIN & MANAGEMENT FEES	13.93	13.02	(0.90)
RENTAL INCOME	6.20	7.05	0.85
HUD GRANTS	5.32	5.13	(0.19)
MISCELLANEOUS	6.30	7.65	1.34
GRANT FUNDING (Non-HUD)	2.04	2.06	0.02
SOFTWARE, EQUIP & OCCUPANCY	1.57	1.67	0.10
SALES OF INVESTMENTS/ASSETS	0.01	-	(0.01)
Total Income:	35.36	36.58	1.22

- Total Revenue Changes = +\$1.22 million
 - Miscellaneous = +\$1.34 million
 - 2016 Developer Fees are projected to be about \$1.3 million more than in 2015.
 - Rental Income = +\$0.85 million
 - 2016 Dwelling rental in HSM is projected to be \$500k higher than in 2015.
 - Scheduled rent for Aff will be \$270k higher in 2016 due to the addition of San Ramon and higher rent rates.
 - Admin & Mgmt Fees = (\$0.90 thousand)
 - Proration on HCV Admin Fees collected is projected to be 9.5% lower in 2016 relative to 2015 resulting in \$826k less revenue earned.



Historical Expense Levels

Annual Operating Expenses



- Agency has reduced expenses as funding levels have decreased over the past 6 years (total of 22% budget reduction since 2010)



Initial Expenditure Changes

	Approved 2015 Budget	Proposed 2016 Budget	Variance
Salaries & Benefits	14.79	15.48	0.69
Administrative Overhead	14.47	13.35	(1.12)
Fleet & Facilities	4.80	4.77	(0.04)
TRAVEL, TRAINING, STAFF DEVELOPMENT	0.43	0.59	0.16
Other	0.60	0.58	(0.02)
Total Expenses:	35.09	34.76	(0.33)

- Initial Expenditure Changes = (\$327 thousand)
 - Salaries & Benefits = +\$694 thousand
 - Increase in Core by \$679 thousand due to additional personnel in ITS, HR, and Accounting/Finance.
 - Administrative Overhead = (\$1.12 million)
 - Reduction in both PCD and Core by (\$480k and \$400k respectively) due to lower Professional/Consulting Fees expense.
 - Reduction in AHD by (\$369 thousand) due to lower Prof/Con. Fees in Resident Services (150k), lower Contracts Administrative and software expenses in HCV (80k & 50k respectively), and decrease in Admin Overhead(80k).



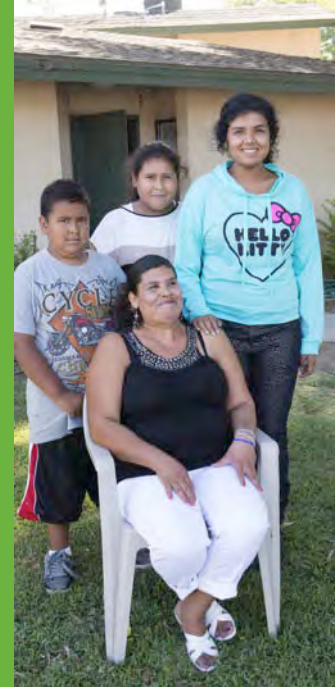
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Projected Unrestricted Funds

	2015 Approved Budget	2016 Proposed Budget	Budget to Budget Fav./(Unfav.) Variance
Income	35.36	36.58	1.22
Expenses	35.09	34.76	0.33
Net Income	0.27	1.82	1.55
Unrestricted Funds	(0.66)	0.15	0.81

- Current budget draft shows a net increase of \$145 thousand in unrestricted reserves in 2016.
- Notable Items:
 - Increased Developer fees in 2016
 - 2016 Budget includes new talent acquisitions
 - Staff will refine certain line items including overhead, professional fees, and personnel costs.



Questions or Comments?



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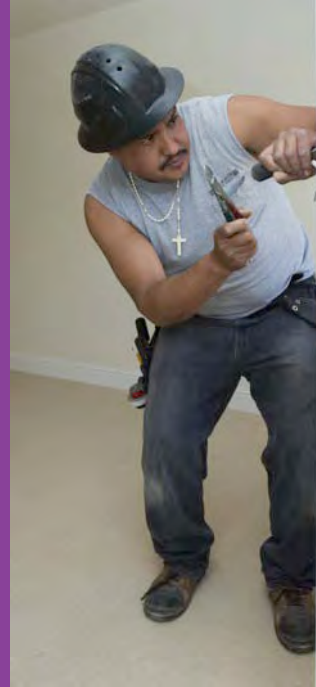
Owner Disallowance Procedures

*Boards of Commissioners Meeting
October 27, 2015*



Presentation Overview

- 2015 PHA Plan Amendments
 - Housing Choice Voucher (HCV) Administrative Plan
 - Policies that apply to the HCV program
- Draft Procedure Overview and Feedback
- Actions to date

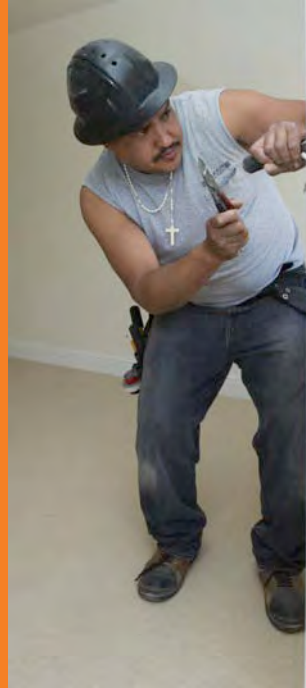


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Discretionary Owner Disapproval

- Applies to: owners, representatives, property management companies
 - Can apply to individual properties
- Overview of Causes
 - History of non-compliance with HQS
 - History of failing to terminate tenancy where appropriate
 - History of renting units that fail to meet State or local code
 - Has not paid State or local real estate taxes, fines or assessments



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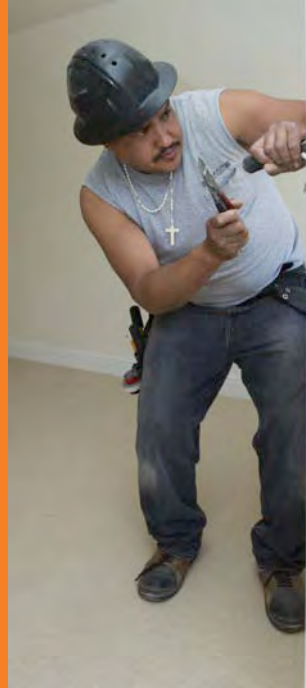
Draft procedures

- Committee including Executive Management and HCV Division Management
- Case-by-case based on internal analysis
 - Overall units and Inspections per unit
 - Abatements per unit
 - Number of cancellations or cancel/unit
- Case-by-case based on external communications, requests, complaints
 - Fresno Police Department
 - City of Fresno Code Enforcement Division
 - County of Fresno Code Division
- Owner will be notified in writing by Executive Director
- Database will be maintained for department staff
- Concerns or complaints will be managed by Department Director or Designee
- Inclusion of an appeals process



Actions to date

- Initial analysis completed
- Communication and confirmation with Inspections Unit, FPD and Code Enforcement Division
- Several letters denying RFTAs have been issued



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Questions or Comments?



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Over Income Families Residing in Public Housing

Boards of Commissioners Meeting
October 27, 2015



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Outline

Regulations

HUD OIG Summary

Fresno Housing Data

2004 Final Rule

Discussion Items



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Over Income Families

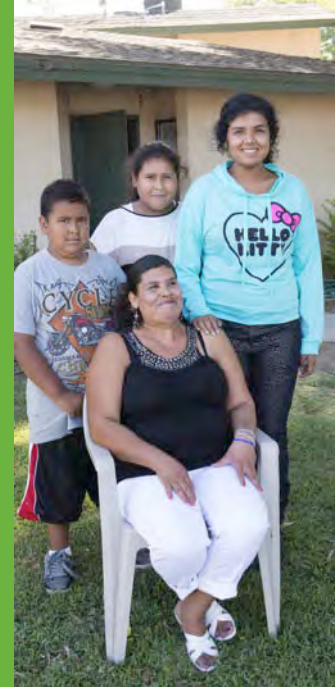
- HUD Regulations
 - Eligibility is established at admission
 - Annually families decide to pay either 30% of their income or a flat rent
 - Flat rents align with Fair Market Rents (FMR) established by HUD and are based on market data
 - New admissions have income limits of 80% Area Median Income (AMI) with a target of 40%; all new families must be “extremely low income” (30% AMI) each year
 - No limit for length of time families may continue residing in Public Housing



2015 Income Limits

FY 2015 Income Limits Summary

FY 2015 Income Limit Area	Median Income Explanation	FY 2015 Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
Fresno County	\$47,600	Very Low (50%) Income Limits (\$) Explanation	19,950	22,800	25,650	28,450	30,750	33,050	35,300	37,600
		Extremely Low Income Limits (\$)* Explanation	11,950	15,930	20,090	24,250	28,410	32,570	35,300*	37,600*
		Low (80%) Income Limits (\$) Explanation	31,850	36,400	40,950	45,500	49,150	52,800	56,450	60,100



Flat Rents for 2015 – Fresno Housing

Bedroom Size	Flat Rents eff. 2015	2015 FMR per HUD	Flat Rent % of FMR
0	\$630.00	\$649.00	97%
1	\$655.00	\$676.00	97%
2	\$703.00	\$853.00	82%
3	\$959.00	\$1199.00	80%
4	\$1119.00	\$1399.00	80%
5	\$1287.00	\$1609.00	80%



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HUD OIG Report

- National Report focused on:
 - Number of units occupied by over income families
 - Amount over income
 - Length of time over income
 - Excessive cases of over income residents living in public housing
 - New York



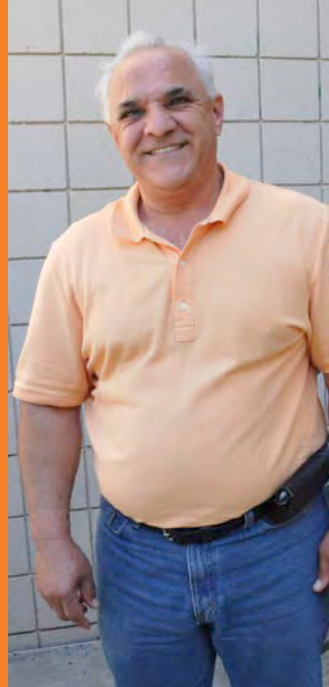
Over Income Families in Fresno County

- No excessive cases, small number of families overall
- Data from 2014
 - 12 out of 131 families (less than 1%) over income
 - Four families have left the program
 - Over income for only two years (except one)
 - 75% of the families were less than \$10,000 over the limit
 - All families had multiple wage earners with no one member earning more than \$26,000
- Data from 2015
 - 17 families over income (1.3%)
 - Three families have left the program as of August
 - None of the families exceeded income by more than \$30,000
 - All of those families had multiple wage earners



HUD Final Rule in 2004

- Published in December 2004 to allow PHAs to establish occupancy policies that could include the eviction of over-income tenants
- Does NOT REQUIRE the implementation of such a policy
- According to NAHRO Staff, as of this month, they do not know of any PHA that has implemented such a policy
- Fresno Housing chose not to include language providing for such evictions in its Annual Plan



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Key Discussion Items

- There is a great and unmet need across the country for housing assistance
- Over-income families help PHAs de-concentrate poverty in communities and developments
- Vast majority of families still progressing toward economic stability
- PHA eviction policies would be antithetical to HUD's mission to affirmatively further fair housing
- Over-income households pay a rent that covers all costs associated with the housing and the additional rent helps offset the costs of lower income families



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Questions/Comments?



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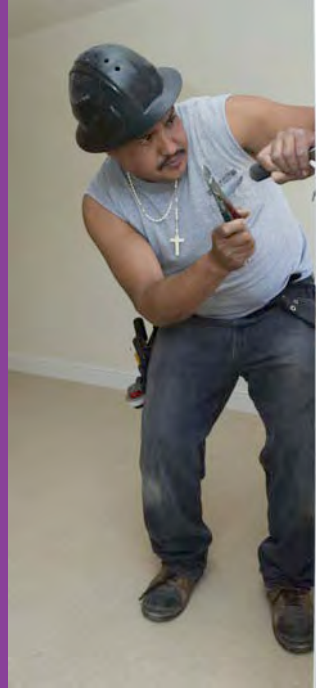
Agency Procurement Policy

Fresno Housing Authority
October 27, 2015



Overview

- Purpose of the Procurement Policy
- Major Changes from Current Policy
- Steps to Implement the New Policy



Purpose

- The purpose of the Agency's procurement policy is to:
 - Clearly define the authority, responsibility, and guidelines for the Agency's purchasing and contracting functions,
 - Simplify and summarize the myriad of laws and regulations governing procurement,
 - Enable uniform purchasing procedures throughout the organization,
 - Provide fair and equitable treatment for all vendors,
 - Ensure that supplies and services are procured efficiently, effectively and at the most favorable prices,
 - Protect against corruption, waste, fraud, and abuse.

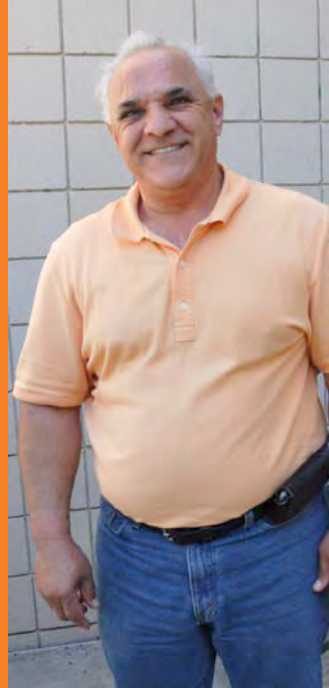


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Major Changes

- Separate procurement procedures and thresholds for federally and non-federally funded contracts. Non-federally funded programs will still fall under state and local regulations.
- Additional items added to exclusions list.
- Updates to the Micro and Small Purchase thresholds based on new HUD regulations.
- These change will ensure compliance without imposing a higher standard than is necessary.

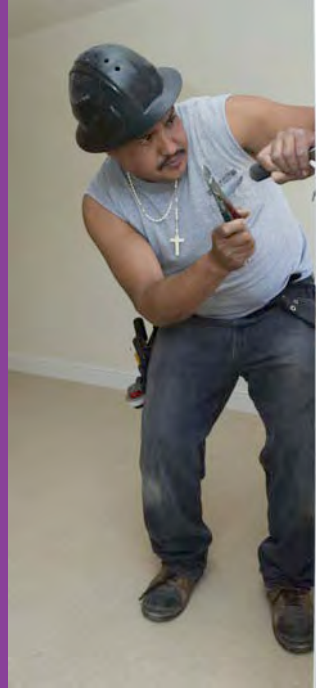


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Implementation Steps

1. Board approves Updated Procurement Policy
2. Procurement Department writes internal Procurement Procedures including forms, templates and guidebook.
3. Procurement Department holds training workshops for Agency staff.



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Questions or Comments?



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