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HOMES FOR GOOD HOUSING AGENCY

BOARD OF COMMISSIONERS MEETING WEDNESDAY, JULY 25TH, 2018

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- II. APPROVAL OF 06/27/2018 MINUTES
- III. EXECUTIVE DIRECTOR'S REPORT
- IV. FY19 BUDGET WORK SESSION

AGENDA

Homes for Good Housing Agency



BOARD OF COMMISSIONERS

Location of the meeting:

Board of County Commissioners Conference Room, Public Service Building, 125 East 8th Avenue, Eugene, OR, 97401

Phone: 541.682.2506

The meeting location is wheelchair-accessible. Anyone needing special accommodations (deaf, people with hearing loss, language translation, chemical sensitivity needs, and large print copies of agenda), please make your request at least 48 hours prior to the meeting.

Wednesday, July 25th, 2018

(2:30 p.m.) (Board of County Commissioners Conference Room)

1. #PUBLIC COMMENTS

(Expected maximum time 10 minutes: Speakers will be taken in the order in which they sign up and will be limited to 3-minutes per public comments. If the number wishing to testify exceeds 10 speakers, then additional speakers may be allowed if the chair determines that time permits or may be taken at a later time.)

2. COMMISSIONERS' RESPONSE TO PUBLIC COMMENTS AND/OR OTHER ISSUES AND REMONSTRANCE (2 min. limit)

3. ADJUSTMENTS TO THE AGENDA

4. COMMISSIONERS' BUSINESS

5. EMERGENCY BUSINESS

6. EXECUTIVE SESSION

7. ADMINISTRATION

- A. Approval of Minutes: 06/27/2018
- B. Executive Director Report(estimated time 15 minutes)
- C. Work Session/Homes for Good 2018 Budget Work Session (Valerie Warner, Deputy Director and Jeff Bridgens, Finance Director) (estimated time 60 minutes)

9. OTHER BUSINESS

Adjourn



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Meeting Minutes

Homes for Good Housing Agency

BOARD OF COMMISSIONERS

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Wednesday, June 27th, 2018

(2:30 p.m.) (Board of County Commissioners Conference Room)

1. #PUBLIC COMMENTS

None

2. COMMISSIONERS' RESPONSE TO PUBLIC COMMENTS AND/OR OTHER ISSUES AND REMONSTRANCE (2 min. limit)

None

3. PUBLIC HEARING

The public hearing will be held for the purpose of taking comments on the Agency's draft findings supporting the exemption of certain classes of special procurements and public improvement contracts from competitive bidding requirements. The draft findings are available for review on the Agency's website.

- Valerie Warner and Ross Williamson open the floor for public comment regarding updating Homes for Good's contract procurement process.
- No public comment given
- Public hearing closing at 2:36pm

4. ADJUSTMENTS TO THE AGENDA

None

5. COMMISSIONERS' BUSINESS

- *Pete Sorenson, Absent*
- *Gary Williams, Absent*

- **Char Reavis:** We need to make sure we need to ensure all board members will be in attendance and not schedule meetings over the Homes for Good board meetings.
- **Jay Bozevich:** Wednesdays are typically difficult since they are difficult coordinating with Lane County board business.
- **Jacob Fox:** In prior years, these meetings were scheduled by Diana Jones.
- **Jay Bozevich:** Our schedules are different now.
- **Pat Farr:** Wednesdays are typically better as we do not always have a board meeting. Maybe we can look at board scheduling in the near future.
- **Jay Bozevich:** Wednesday is a night meeting night. If we go passed 4pm I often have to leave.
- **Jacob Fox:** From my perspective, we are just asking to do the best you can in scheduling around Homes for Good board meetings. We still need to discuss board governance. We will go over that in the next few months.
- **Sid Leiken:** I think attendance has been solid but I'm also interested in taking a look at the governance. There seems to be growing complexity. Does it make sense to have a more focus specific board? Also, this Friday in Springfield Steve Ochs will be discussing housing issues at the Springfield Chamber of Commerce on the Solutions in Housing panel.

6. EMERGENCY BUSINESS

None

7. EXECUTIVE SESSION

"On June 27th, 2018 the Homes for Good Board will hold an Executive Session pursuant to ORS 192.660(2)(e), to conduct deliberations with persons designated by the Homes for Good Board of Commissioners to negotiate real property transactions."

8. ADMINISTRATION

- A. Approval of Minutes: 05/23/2018

Motion to approve minutes: Pat Farr

Motion seconded: Sid Leiken

Motion is approved unanimously 5/0 with

Commissioners Pete Sorensen and Gary Williams excused

- B. Executive Director Report

None

- C. Order/18-27-06-01H/In the Matter of Authorizing the Homes for Good Procurement Policy(Valerie Warner, Deputy Director)

- **Valerie Warner:** Federal Grant guidance prompted this board order. Uniform guidance required that we adopt a new procurement process by July 1, 2018. Our previous process was old and outdated. This was a good opportunity to create a new process. Today's board order is to adopt Homes of Good's new procurement process.
- **Ross Williamson:** This topic meshes well with the growing agency complexities. We didn't reinvent any wheels. This is almost a direct copy of HUD provisions. Every year when the AG updates their rules we will update our rules. This is not just a one-time thing, you will be updated

each year. The agency had been using the AG's rules. We are proceeding fully with our procurement policies.

- **Jacob Fox:** I will reiterate the organization had so many business systems that were out of compliance or with no policy in place. This will keep us in compliance.
- **Ross Williamson:** In 2005 or 2004 you will remember the legislature's involvement with the procurement process. We have tailored this for smaller governments. We represent 25 cities and a fire district.

Motion to approve 18-27-06-01: Sid Leiken

Motion seconded: Jay Bozevich

Motion is approved unanimously 5/0 with

Commissioners Pete Sorensen and Gary Williams excused

D. Order/18-27-06-02H/In the Matter of Authorizing the Submission of the Annual Agency Plan for the Fiscal Year Beginning October 1, 2018 (Wesley Lucas, Property Management Division Analyst and Amy Cook, Rent Assistance Analyst)

- **Wesley Lucas:** This is the annual update of the 5 year plan. There is not much in the way of new activities. In the section of new activities, we will look into disposition and demolition which is new on this year's form and not last year. We also worked extensively with the RAB board. It has been an excellent experience. We haven't received any comment.
- **Pat Farr:** It is important to me that you get close input from the residents.
- **Wesley Lucas:** We have received good input in the area of policy. We have adjusted and improved. We get the oversight function. We have residents with regular comments and those who only comment once.
- **Char Reavis:** You have been right on the money with HUD rules.
- **Michelle Thurston:** I am glad that you started opening for public comment early.
- **Char Reavis:** I appreciate the teamwork with the staff and the residents they appreciate it.
- **Wesley Lucas:** Amy will share policy highlights.
- **Amy Cook:** Dependents subject to joint custody dropped to 50%. An additional update for October is the addition of shared housing to be allowed.
- **Jacob Fox:** Shared housing means if there is a 4-bedroom house, now Section 8 allows room rental instead of a single unit rental. The housing assistance payment could be reduced which counterbalances current rent increases.
- **Pat Farr:** Sounds like it could mesh with the homelessness strategies.
- **Jacob Fox:** We will explore how much impact we have with it.
- **Wesley Lucas:** We are proposing when we establish an MOU that we can provide a preference. We are changing the occupancy from 2 occupants per bedroom. A four bedroom would have nine occupants, and a 3 bedroom would now have seven. When we are recertifying income per income status, we are doing interim up and downs. It was widely wanted by staff and RAB for fairness mostly. It is 30% of resident's income.
- **Jacob Fox:** I appreciate Wesley and Amy for taking over the process and building clarity.
- **Char Reavis:** Could you explain the 50% custody/parenting time?
- **Amy Cook:** If there is a dispute of parenting time, it streamlines the process.

- **Wesley Lucas:** We are no longer requiring proof of who has the most custody/parenting time.
- **Wesley Lucas:** We need the board chair to sign a PHA compliance then we will submit the document to HUD.

Motion to approve 18-27-06-02: Jay Bozevich

Motion seconded: Pat Farr

Motion is approved unanimously 5/0 with

Commissioners Pete Sorensen and Gary Williams excused

E. Order/18-27-06-03H/In the Matter of Approving the Submission of the Five Year Capital Fund Action Plan 2018 – 2022 (Jared Young, Contract Administrator)

- **Jared Young:** We are here to update the 5-year plan. Our priority is the envelope improvements. We did have an increase of \$400,000 in funds. The major projects we will be working on are the following properties Mckenzie Village, Pengra, Maplewood Meadows, Parkview Terrace, and Veneta Villa.
- **Jacob Fox:** Under Kurt's leadership, with Jared has been instrumental with our capital improvements. With the passing of the federal bill that increased funds by \$400k, we can take care of our envelopes. Interior rehabs will take place in the coming years. Thank you Jared and Kurt.
- **Char Reavis:** I would like to thank you to because they come to the RAB and ask questions and offer answers.
- Jay Bozevich: Looking at the totals over 5 years, which is a presumption, will these funds remain available for the full 5 years?
- Jacob Fox: We do anticipate cuts. The numbers for fiscal year in 2018 are tight. Beyond that, they will move around.
- Kurt von der Ehe: These are larger components to the buildings. Our priorities are envelopes and safety.

Motion to approve 18-27-06-03: Sid Leiken

Motion seconded: Michelle Thurston

Motion is approved unanimously 5/0 with

Commissioners Pete Sorensen and Gary Williams excused

F. Order/18-27-06-04H/In the Matter of Authorizing the Executive Director to Apply for Assistance from Oregon Health Authority (OHA) Health Systems Division (HSD) and/or Oregon Housing and Community Services (OHCS) Mental Health Housing Funds for a Supportive Housing Apartment Community in Eugene, Oregon (Nora Cronin, Project Developer)

- **Nora Cronin:** Today, I am seeking authorization to apply for funding for the Housing First project. This OHA is grant is for \$500K. We are looking for funding from various healthcare providers. There is a small change to the board order where I added the dollar amount we are applying for.
- **Pat Farr:** How confident are you on this grant?
- **Nora Cronin:** This grant is for people with persistent mental illness and I think this opportunity is in line with the population we plan to serve.
- **Jacob Fox:** Our last agenda item will give more information.
- **Michelle Thurston:** People are excited to hear about this project.
- **Pat Farr:** This is a milestone and a groundbreaking project.

- **Jay Bozevich:** We will be talking about this project with the Lane County board on the 10th.
- **Nora Cronin:** One of the requirements is to have a document for site control. We have an agreement drafted with the county attorney.

Motion to approve 18-27-06-04: Pat Farr

Motion seconded: Jay Bozevich

Motion is approved unanimously 5/0 with

Commissioners Pete Sorensen and Gary Williams excused

- G. Order/18-27-06-05H/In the Matter of Authorizing Formation of Sheldon Village LLC (Steve Ochs, Real Estate Development Director)

- **Spencer McCoy:** We need to create this LLC in order to facilitate the financing of the Sheldon Village rehab. Banner bank was the respondent for the RFP we issued. We need to create the LLC in order to combine Sheldon I & II to begin the financing and start the rehabilitation process.

Motion to approve 18-27-06-05: Jay Bozevich

Motion seconded: Michelle Thurston

Motion is approved unanimously 5/0 with

Commissioners Pete Sorensen and Gary Williams excused

- H. Presentation/Current Homes for Good Real Estate Presentation Part 2 (Jacob Fox, Executive Director, Nora Cronin, Project Developer, Spencer McCoy, Project Developer)

PowerPoint Presentation (see board meeting packet on Homes for Good Website)

9. OTHER BUSINESS

None

Adjourn



Homes. People. Partnerships. Good.

Over the past two months, I have had the honor of working on a number of key internal organizational improvements including enhanced employee engagement and communication and a wide array of external engagement opportunities that have resulted in moving key projects forward.

Specific to internal improvements we have been actively working with our corporate auditors, Moss Adams, to complete our financial statement audit that was due to HUD on 6.30.18. As we got closer to the deadline it was unclear whether we would be able to meet the deadline. Not meeting the deadline would have had a significant negative impact on our HUD compliance rating and through the tireless dedication of Jim and Kevin from Moss Adams and Jeff and Valerie from our team the deadline was met. The audit report has no findings, however, there were some areas identified by the audit process that we will work to shore up in the coming months. Jim and Kevin from Moss Adams will be performing an exit conference with the Homes for Good Board where we will review the audit report and answer any specific questions/concerns from the Board.

I continue my journey to better understand the experience and responsibilities of our employees and make sure that as the ED I don't get disconnected from the impactful work being done by our amazing staff members. I had the honor of job shadowing Marily Cruz who works in our Energy Services Division as the lead administrative support staff person. She handles all intake into the program, contractual billing, and compliance with the federal, state and local funds that we use to make lives better for people with low-incomes in Lane County. In addition to having coffee with Marily and hearing about her experience as a Homes for Good employee she also put me to work. She gave me an assignment of preparing mailing labels and postcards for people that are close to the top of the waiting list so that they would know when to expect us to make weatherization improvements to their homes. Marily has been with the Agency for almost 10 years and she is very positive about her experience working for the agency and she is supportive of the many processes improvements we are making. She was appreciative that I took the time to meet with her and better understand her job.

July 2018

MONTH IN REVIEW



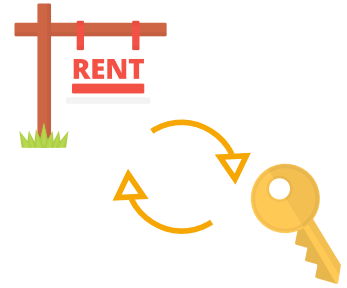
Over the past few months, I have had the opportunity to help move key community projects forward. We have applied for 80 new Housing Choice Vouchers called Mainstream Vouchers. LCOG supported our efforts to write this grant and our community partners on this grant application include Laurel Hill and Sponsor's Inc. If successful this grant will bring an additional \$480,000 per year of federal rent assistance to our community and these vouchers will be prioritized for people with low incomes, who are disabled, and existing institutions including jail, rehabilitation facilities, nursing facilities, etc. Another key accomplishment that we achieved is securing a conditional commitment for \$3mm from the State of Oregon Housing and Community Services Department for the Housing First on MLK. This commitment would not have been realized without the dynamic partnership between Homes for Good and Lane County. The \$3mm from the State of Oregon puts us in a position of pursuing a 4% LIHTC financial structure, which means that this project has moved to the front burner and need to actively work through a number of land use related processes. We recently hired Nora Cronin as a Project Developer on our Real Estate Development Team and in addition to the OHCS conditional commitment Nora has recently submitted a \$750,000 funding request to the Federal Home Loan Bank and she is preparing a \$500,000 funding request to the Oregon Health Authority, a \$750,000 request to Kaiser Permanente and a \$750,000 request to Peace Health. We have already received a \$500,000 commitment from Trillium.

Lastly, I would mention a number of other key community engagement activities that I have participated in. They include the LTD Transit Tomorrow Community Vision workshop, a presentation to a state workgroup on reentry housing led by Oregon State Senator Michael Dembrow, a presentation to over 30 Lane County employees on Affordable Housing Strategies for Lane County, a welcome home celebration for a first time home buyer from our Housing Choice Voucher program and the 25 Anniversary celebration for our Family Self-Sufficiency Program.

DATA DASHBOARD

PROPERTY MANAGEMENT DIVISION

99.7% Monthly Occupancy Rate



Average Tenant Rent **\$268**



Average Completion Time for Work Orders

0.4 Days Emergency Work Orders

1.26 Days Urgent Work Orders

5.54 Days Routine Work Orders

Average Turn Time

22.6

days

RENT ASSISTANCE DIVISION



160 vouchers issued
29 Lease ups in June

Success rate 71%

119 rent changes reported in June



1,336,010.64
paid to landlords in June

Average tenant rent **\$252**

Average Housing Assistance Payment **\$456.25**





AGENDA CHECKLIST

AGENDA INFORMATION TO BE SUBMITTED TO THE BOARD OFFICE
 (Aisha McCoy, Administrative Specialist ext 2525)

AGENDA TITLE: In the Matter of the FY19 Budget Work Session

One Title Memo

Agenda Packet
 One Original Hard Copy plus
 One copy e-mailed to
amccoy@homesforgood.org

Material Due
 Due by 12 pm Wednesday
 preceding the week it will be
included in the agenda notice

DEPARTMENT	Finance		
CONTACT	Valerie Warner	EXT	2503
PRESENTER	Valerie Warner	EXT	2503

AGENDA DATE: **07/25/2018**

THIS ITEM WILL INVOLVE:

- | | | | |
|---|--|--|--|
| <input type="checkbox"/> Consent Calendar | <input type="checkbox"/> Report | <input type="checkbox"/> Appointments | <input type="checkbox"/> Committee Reports |
| <input type="checkbox"/> ORDER/Resolution | <input type="checkbox"/> Discussion & Action | <input type="checkbox"/> Discussion Only | |
| <input type="checkbox"/> Ordinance/Public Hearing | <input checked="" type="checkbox"/> Work Session | | |
| Public Comment Anticipated? | <input type="checkbox"/> Yes <input type="checkbox"/> No | Estimated Time <u>45 min</u> | |

NOTE: DEPARTMENT MANAGER MUST SIGN OFF BEFORE SUBMITTING TO BOARD OFFICE

Executive Director/: **Jacob Fox** Date **07/17/2018**

Deputy Director _____

Legal Staff-Review by: _____ Date _____

*if required _____

Management Staff- _____ Date _____

Review by: _____



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HOMES FOR GOOD M E M O R A N D U M

TO: Homes for Good Board of Commissioners

FROM: Valerie Warner, Deputy Director
Jeff Bridgens, Finance Director

AGENDA ITEM TITLE: WORK SESSION/FY19 BUDGET

AGENDA DATE: July 25th, 2018

I. MOTION

None required

II. ISSUE

Homes for Good fiscal year runs from October 1 thru September 30th. We are currently preparing the FY19 budget and welcome guidance from the board.

III. DISCUSSION

The Homes for Good budget is complex with over 40 separate programs budgeted separately. Many of the budgets are for grants that run on the reimbursement basis and many of the budgets are for 3rd-party managed properties which run very close to break-even. There are a few programs that have the potential to experience profit/loss or positive/negative cash flow into the hundreds of thousands of dollars and those are the ones that we will discuss in this budget workshop.

A. Background

The FY18 budget summary is included as the first page of the slide show. This view shows that the F18 budget was adopted with authorization to decrease the Central Office Cost Center (COCC) reserve (except for an interfund transfer), decrease the public housing reserve and slightly decrease the S8 Administrative reserve.

In the COCC, we budget for all of the agency overhead costs. Those activities are funded by fees from Housing complexes and the Section 8 program: Bookkeeping Fee, Management Fee and Asset Management Fee. Additional funding is provided by an overhead charge to other Agency programs, and is based on a cost allocation methodology.

Now that three quarters of FY18 has elapsed and we have received information from HUD about changes to our subsidy revenues, we can re-project FY18, and the slideshow shows the results of this re-projection.

The Development and Asset Management programs account for activities that create and operate new low income housing developments, such as Market District Commons, Housing First, Glenwood and others. The cash flows of these cost centers tend to be much more volatile than other Homes for Good cost centers and the accrual based retained earnings tend to be much different than the cash based retained earnings due to the numerous transactions to "build" capital or account for long term receivables. However, the activity of the Development/Asset Management programs is quite significant and must be carefully considered in Homes for Good's financial planning. These programs represent a crucial source of unrestricted income for the Agency and among other things, allow us to administer grant funds that don't include sufficient allocations for overhead.

B. Analysis

In the accompanying slide show we display the results of FY17, and the FY18 budget and projections. We also discuss potential reserve targets for the various reserve "buckets" and you will see that some programs need to either increase revenues or cut costs during the remaining months of FY18 and during FY19.

B. Recommendation

Discussion of Homes for Good's significant budget decisions for FY19.

IV. IMPLEMENTATION/FOLLOW-UP

Staff will present the FY19 approved budget at the September board meeting.

V. ATTACHMENT

PowerPoint: Homes for Good Budget FY2019 Workshop



Budget Workshop FY19
Homes for Good Board Meeting
July 25th, 2018



	2016 ACTUAL	2017 BUDGET	2017 PROJECTED	2018 BUDGET
Beginning Restricted Reserves	\$ -	\$ -	\$ 2,691,604	\$ 2,361,425
Beginning Unrestricted Reserves	-	-	5,871,507	5,879,112
Total Beginning Reserves	-	-	8,563,111	8,240,537
Revenue	34,920,443	33,580,864	30,900,097	37,489,862
Expenses				
Personnel Services	6,885,304	6,885,630	6,567,600	6,908,398
Materials & Services	24,156,763	24,905,313	23,128,277	25,670,472
Overhead	(88,041)	127,970	354,500	267,238
Total Expenses	30,954,026	31,918,913	30,050,377	32,846,107
Net Change	3,966,416	1,661,951	849,720	4,643,754
Other Resources				
Capital Outlay	(1,371,278)	(1,361,692)	(4,869,600)	(7,083,228)
Reserves	(30,168)	(18,256)	43,539	(77,912)
Debt Issuance	24,412	-	3,785,000	6,000,000
Debt Service	(688,597)	(524,103)	(119,808)	(454,750)
Inter-Program Transfers In	200,000	-	82,300	193,626
Inter-Program Transfers Out	(200,000)	-	(70,000)	(193,626)
Other Resources Provided (Used)	(2,065,631)	(1,904,051)	(1,148,569)	(1,615,890)
Excess (Deficiency) of Revenue Over (Under) Total Expenses and Other Resources	1,900,785	(242,100)	(298,849)	3,027,864
Ending Restricted Reserves	2,691,604	-	2,361,425	2,426,800
Ending Unrestricted Reserves	5,871,507	-	5,879,112	8,940,948
Total Ending Reserves	<u>\$ 8,563,111</u>	<u>\$ -</u>	<u>\$ 8,240,537</u>	<u>\$ 11,367,748</u>
Program Expenses				
Community Services	\$ 4,107,984	\$ 5,156,167	\$ 3,555,050	\$ 4,845,873
Housing	10,788,499	10,791,975	9,968,196	10,787,070
Rent Assistance	18,123,175	17,874,822	17,675,700	18,829,055
	<u>\$ 33,019,657</u>	<u>\$ 33,822,964</u>	<u>\$ 31,198,946</u>	<u>\$ 34,461,998</u>
Full-Time Equivalent Positions	91.00	90.10	91.00	87.00





Housing Choice Voucher	FY17 Actual	FY18 Budget	FY18 Projection
Revenue			
HAP Revenue	13,583,743	16,026,377	16,483,600
Admin Revenue	3,443,687	2,252,208	2,201,100
Other Revenue	115,303	87,600	45,300
Total Revenue	17,142,733	18,366,185	18,730,000
Expense			
HAP Expense	15,526,846	16,430,000	16,483,600
Admin Expense	2,316,958	2,399,055	2,322,400
Total Expense	17,843,804	18,829,055	18,806,000
HAP Reserve-end of year	25,343	-334,480	25,343
Admin Reserve-end of year	2,300,074	2,197,027	2,224,074
FTE	20.00	19.00	19.00

COMMENTS ON RENT ASSISTANCE



- As part of last year's budget process, we drafted reserve policies for HAP reserve and Admin reserve. For FY18, our HAP reserve policy target would have been between \$150K and \$450K, or 1-3% of budgeted HAP expense. While the chart shows the Homes for Good held reserves of \$25k, in addition there is a HUD held HAP reserve of \$445,575 as of May 1, 2018. This represents funds that are allocated to us by HUD, however not disbursed to us until we request these funds from HU
- The Admin reserve target, based on our draft policy, would have been around \$766K. Our admin reserve of \$2.2mm is comforting but at the same time worrisome in case that HUD would take back funds they consider to be excess in the future. We plan to purchase two new vehicles for the Rent Assistance inspectors before the end of FY18. And we must remember that the funds are not fungible

Resident Services





Public Housing	FY17 Actual	FY18 Budget	FY18 Projection
Revenue			
Rent	2,150,031	2,096,641	2,217,200
Operating Subsidy	1,765,916	1,709,494	1,805,900
Other	1,290,569	293,808	230,800
Total Revenue	5,206,516	4,099,943	4,253,900
Expense			
Admin Expense	1,552,937	1,348,904	1,280,600
Maintenance Expense	1,580,013	1,640,334	1,151,900
Other Expense	1,572,650	1,053,467	955,300
Total Expense	4,705,600	4,042,705	3,387,800
Unrestricted Reserve-end of year	1,535,604	1,088,709	2,401,704
FTE		21.68	

COMMENTS FOR PUBLIC HOUSING



- In case you noticed that the FY17 actual “other” revenue is far greater than the FY18 budget or FY18 projection, it is because that represents the capital grant work. In our financial statements, we follow governmental accounting regulations and this includes recognition of the cap fund contribution to Public Housing.
- The draft reserve policy for public housing would have the reserve target at around \$1.3M. Our reserve is over that amount. The Public Housing reserve is not fungible, it is not allowed to be spent on capital improvements to the housing complexes, and we must be careful to comply with HUD rules that indicate which expenses may be considered “front line”, therefore allowable to cover with PH reserves.

Reading Program





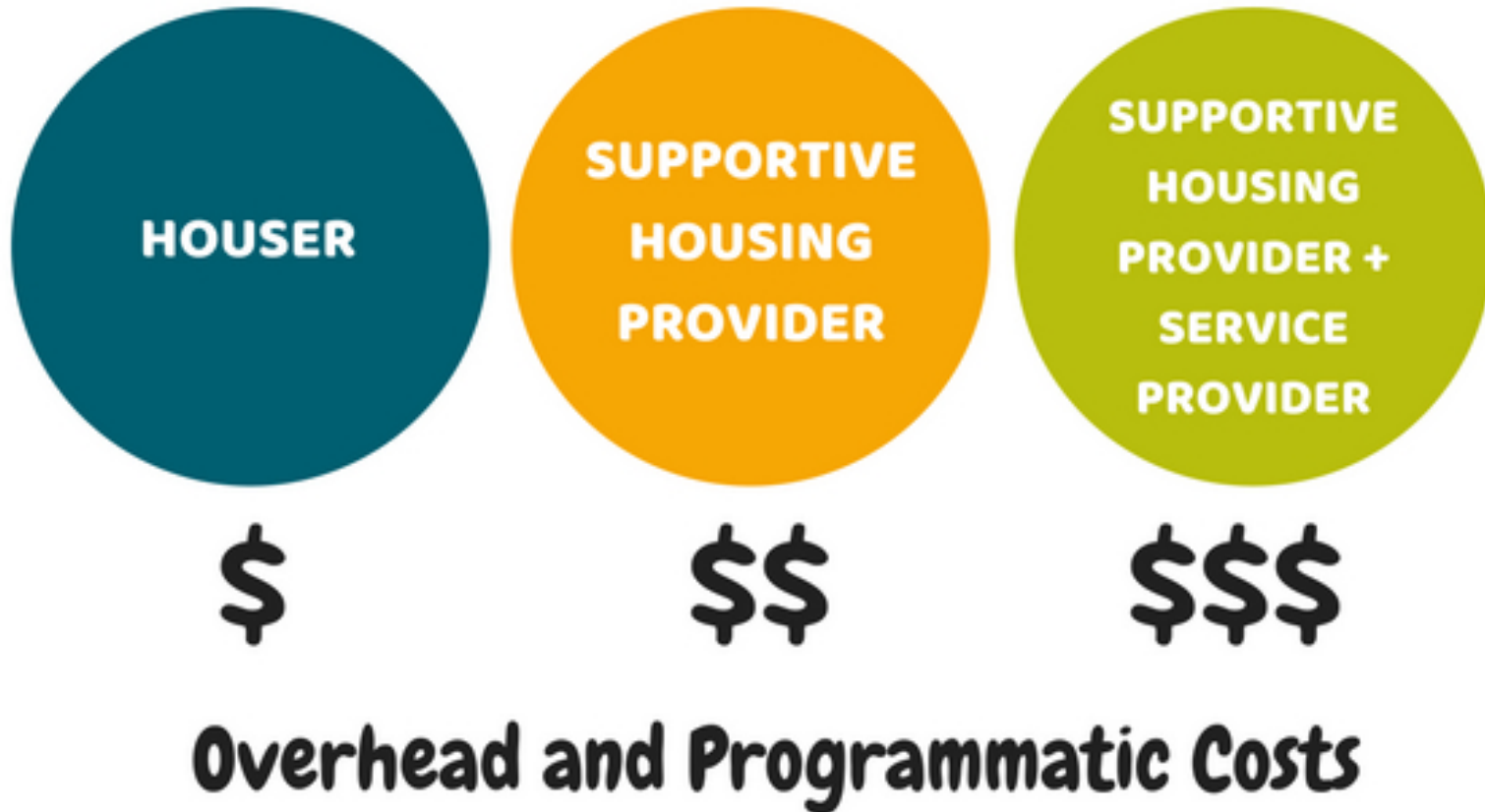
COCC	FY17 Actual	FY18 Budget	FY18 Projection
Revenue			
Fees from PH & Multifamily	564,585	751,560	675,400
Fees from Rent Assistance	619,183	643,500	634,600
Other	795,261	758,012	792,300
Transfer from other fund		191,000	191,000
Total Revenue	1,979,029	2,344,072	2,293,300
Expense			
Administrative	1,986,480	1,803,298	1,850,400
Maintenance	496,375	443,939	488,600
Other	85,046	74,257	79,100
Total Expense	2,567,901	2,321,494	2,418,100
Reserve-end of year	-149,716	-172,294	-274,516
FTE	20.65	18.65	18.65

COMMENTS FOR CENTRAL OFFICE COST CENTER



- The “other revenue” category for COCC includes both the Fee for Service payments made to COCC from housing complexes utilizing the skilled labor of the COCC for painting, etc. and also the overhead contributions made by departments not paying HUD fees, which include Development, Weatherization (Energy Services) and certain grants.
- The draft reserve policy for COCC targets 33% of operating budget. Our COCC reserve is clearly short, however I believe our budget proposal will address this with increased revenue and a slightly different approach to identifying allowable front line costs rather than reducing overall costs.

Who are we?



Richardson Bridge Rehab





Development/Asset Management	FY17 Actual	FY18 Budget	FY18 Projection
Revenue			
Total Revenue	871,025	4,215,856	3,071,300
Expense			
Total Expense	510,422	589,247	2,665,034
Unrestricted Reserve-end of year (accrual basis)*	4,740,277	1,865,680 (cash only)	5,146,543
FTE	3.80	4.78	5.78

* Development unrestricted ending reserve includes revenues accrued from tax credit properties that are not converted to cash for years and pre development cash disbursements that are not recorded as expenses. This causes the retained earnings to be significantly different than the cash reserve. At 9/30/17, the unrestricted cash reserve contained \$462,902 and the interfund receivable was \$444,636.

COMMENTS FOR DEVELOPMENT/ASSET MANAGEMENT



- Both Development and Asset Management cost centers have operating activities that are similar from year to year. These consist of staffing, travel & training, office costs, overhead support, etc. Asset Management revenues are also mostly consistent from year to year as they consist of Asset Management fees that we are allowed to take from properties that perform well enough to have sufficient cash flow.
- Development fees are “lumpy”; and are received at various milestones in the development process. In 2019, we anticipate receiving development fees on Richardson Bridge rehab, Market District Commons development, Housing First development and RAD. The total is projected at \$900K. These funds are expected to cover the operations of the work group, and any debt to Homes for Good for pre-development costs paid for from Homes for Good funds. Development also maintains a line of credit with Banner Bank to minimize the amount of costs advanced from Hoes for Good. Remember that HUD does not permit lending funds from Housing reserves or Rent Assistance reserves.
- Due to the increased Development activity anticipated for FY19, the FY2019 budget proposal will include 1 FTE additional administrative support.

Bascom Village II (2016)



SIGNIFICANT ACTIVITY FOR FY2018



- Purchase of New Admin Building (actually this was late FY17) with interim financing of \$3,750,000
- Implementation of Energy Performance Contracting project. To date, we have spent \$1,311,885 out of the amended contract total of \$4,196,554.
- Sale of 12 scattered sites (RAD Phase I) with proceeds averaging around \$225,000
- Sale of the Day Island Administration Building; \$2,100,000 plus 15 months rent-free occupancy.
- Exercised option to purchase Glenwood property; \$750,670.
- Obtained options to buy property at Taney Street in West Eugene and at South 67th Street in Springfield. These two properties will be developed as the required RAD replacement units and the anticipated funding will be 4% tax credits.
- Received funding commitments for the Housing First building.
- Awaiting tax credit commitment for Market District Commons
- Negotiating funding to rehabilitate the Sheldon Village apartments

SIGNIFICANT ACTIVITY FOR FY2018 – continued



- Rehabilitation of Richardson Bridge apartments
- Preparing to sell the River Road property for \$850,000
- Formed several teams to work on the new Administration Building remodel and move: a design team, a financing team, etc.
- The Agency was notified, over halfway thru the year, that HUD proration levels would be higher than originally expected; this puts pressure on the Rent Assistance Division to ramp up voucher issuance. Remember that the subsequent year funding level depends on our spending 100% of the current year funding.
- Resident Services – Service Review by New Director
- IT Strategic Plan / Recruit-hire new IT Director

Market District Commons



2019 PROJECTS



- Create and implement equity agenda
- Rehab Sheldon Apartments
- Develop Market District Commons
- Develop Housing First
- Complete RAD transition – sell remaining units and build replacement units at Taney Street and South 67th
- Identify Funding and Rehab Firwood Apartments
- Begin Remodel/Refinance of new Admin Building at 13th Street
- Determine future of Fairview Admin Building

2019 projects - continued

- Negotiate new union contract
- Create new/updated strategic plan
- Implement new Leadership Team Model
- Add Resident Services Positions and Programming in Public Housing and Housing Choice Voucher Program
- Assess/invest in IT infrastructure

Housing First



Long Range Financial Planning



- Review/Update Financial Policies
- Review/Update Reserve Policies
- Begin with a 3-year look at Homes for Good major programs: Public Housing, Rent Assistance, COCC, Section 8

Financial Policies

- Annual Independent Audit
- Balanced Budget
- Investment Policy
- Grants
- Overhead Cost Allocation
- Procurement Policy
- Computer/Fleet replacement policies

Reserve Policies and Suggested Levels

- Public Housing Operating Reserves – *approximately 4 months of operating costs*
- COCC Reserves - *approximately 4 months of operating costs*
- Rent Assistance HAP Reserve – *reconsider based on HUD cash management policy (of holding reserves at HUD rather than at PHA)*
- Rent Assistance Admin Reserve – *3 to 4 months operating costs*
- Development Reserve - *\$100K - \$750K*
- Corporate Reserve – *under consideration*

111th Homeowner





Thank you!

Questions?