

Budget by Fund

	2018 Actual	2019 Adopted	2020 C2C	2020 Request	\$ Change
General	-	-	-	-	-
Other-Expenditures	2,490,680	2,352,564	2,352,564	861,150	(1,491,414)
TOTAL	\$ 2,490,680	\$ 2,352,564	\$ 2,352,564	\$ 861,150	\$ (1,491,414)

Budget by Service

	2018 Actual	2019 Adopted	2020 C2C	2020 Request	\$ Change
REDEVELOPMENT	2,490,680	2,352,564	2,352,564	861,150	(1,491,414)
TOTAL	\$ 2,490,680	\$ 2,352,564	\$ 2,352,564	\$ 861,150	\$ (1,491,414)

Budget by Major

	2018 Actual	2019 Adopted	2020 C2C	2020 Request	\$ Change
Personnel	113,888	157,085	157,299	182,546	25,461
Non-Personnel	2,376,491	2,195,479	2,195,265	678,604	(1,516,875)
Agency Billings	301	-	-	-	-
TOTAL	\$ 2,490,680	\$ 2,352,564	\$ 2,352,564	\$ 861,150	\$ (1,491,414)



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MEMO

To: David Schmiedicke, Finance Director
From: Tom Conrad, Deputy Director Community Development Authority of the City of Madison (CDA)
Date: July 10, 2019
Subject: 2020 Operating Budget Transmittal Memo

The Community Development Authority was established in 1979 when the Housing Authority, Redevelopment Authority, and related functions were combined into one public body. The CDA is governed by a Board of Commissioners, two of whom are members of the Common Council. Under state statute, the Community Development Authority is charged with encouraging safe neighborhoods, the provision of healthful homes, and supporting adequate places for employment.

Consistent with direction from Finance, CDA Redevelopment has submitted a base budget scenario. Because CDA Redevelopment does not receive direct support from the General Fund, scenarios for a 2.5 percent increase and a 2.5 percent decrease have not been developed. CDA Housing Operations has included 2.5 percent scenarios are based on the \$175,000 in General Fund support from the City of Madison.

The CDA appreciates its close relationship with the City and the ongoing support of City staff. The goal of fostering affordable, safe, and healthy housing in Madison is complex, and we look forward to being a partner in the solution.

Please do not hesitate to contact me with any question regarding our proposed budget.

2020 Operating Budget

Service Budget Proposal

IDENTIFYING INFORMATION

SELECT YOUR AGENCY:

CDA Redevelopment

SELECT YOUR AGENCY'S SERVICE:

Redevelopment

SERVICE NUMBER:

911

SERVICE DESCRIPTION:

This service oversees the Community Development Authority's (CDA) efforts to carry out various economic and redevelopment initiatives of the City. Active CDA redevelopment work includes: The Village on Park, public housing redevelopment in the Triangle, and the Allied Drive Neighborhood redevelopment. The CDA also operates more than 200 affordable apartments with long-term rent restrictions but no federally funded operating subsidy. The goals of this service are to redevelop aging public housing to improve living conditions for existing residents, ensure quality housing for low-income households continues, and undertake redevelopment activities that strengthen low and moderate-income neighborhoods by removing blight and constructing high-quality affordable housing.

Part 1: Base Budget Proposal

BUDGET INFORMATION

	2017 Actual	2018 Adopted	2018 Actual	2019 Adopted	2020 C2C	2020 Request
<i>Budget by Fund</i>						
General-Net	\$0	\$0	\$0	\$0	\$0	\$0
Other-Expenditures	\$2,528,602	\$2,361,895	\$2,490,379	\$2,352,564	\$2,352,564	\$861,150
<i>Total</i>	<i>\$2,528,602</i>	<i>\$2,361,895</i>	<i>\$2,490,379</i>	<i>\$2,352,564</i>	<i>\$2,352,564</i>	<i>\$861,150</i>
<i>Budget by Major</i>						
Revenue						
Personnel	\$187,894	\$201,636	\$113,888	\$157,085	\$157,299	\$182,546
Non-Personnel	\$2,340,708	\$2,160,259	\$2,376,491	\$2,195,479	\$2,195,265	\$678,604
Agency Billings	\$0	\$0	\$301	\$0	\$0	\$0
<i>Total</i>	<i>\$2,528,602</i>	<i>\$2,361,895</i>	<i>\$2,490,680</i>	<i>\$2,352,564</i>	<i>\$2,352,564</i>	<i>\$861,150</i>
FTEs		2.50		2.25	2.25	2.50

PRIORITY

Citywide Element Neighborhoods and Housing

Describe how this service advances the Citywide Element:

The Community Development Authority was established in 1979 when the Housing Authority, Redevelopment Authority, and related functions were combined into one public body. The CDA is governed by a Board of Commissioners, two of whom are members of the Common Council. Under state statute, the Community Development Authority is charged with encouraging safe neighborhoods, the provision of healthful homes, and supporting adequate places for employment. The redevelopment service supports entrepreneurial activities in pursuit of the CDA mission. Examples include the redevelopment of Monona Shores apartments, redevelopment of the Village on Park Mall, single family home construction in the Allied Drive neighborhood, and the development of Burr Oaks senior housing. This service will also play a critical role in the redevelopment of public housing on the Triangle.

ACTIVITIES PERFORMED BY THIS SERVICE

Activity	% of Effort	Description
Housing Asset Management	60%	CDA Redevelopment contracts with property managers to administer housing projects. CDA staff and assigned city staff manage the property management agreement and the assets of the CDA.

Commercial Asset Management	20%	The CDA owns the Village on Park mall. The property is managed by a third-party management company. Assigned city staff administer the property management agreement and support ongoing redevelopment efforts. The north end of the mall is past its useful life and will be the focus of a significant redevelopment effort.
Staffing the CDA Board	20%	As a separate public entity, the CDA is governed by a Board of Commissioners. CDA staff and assigned city staff support the operation of the Board and its committees.

Insert item

SERVICE BUDGET CHANGES

Service Impact

What is the proposed change to the service's budget from cost to continue to agency request?

What are the service level impacts of the proposed funding changes?

For FY20, CDA redevelopment is restructuring its budget to encourage more transparency with stakeholders, to provide better information to the CDA Board, and to facilitate a better understanding of each enterprise in the CDA portfolio. In particular, the CDA is moving financial activity from unique subfunds into the CDA General Fund. The activity in the CDA General Fund is described in much greater detail in the proposed budget than it has been in previous years.

This change has resulted in significant budget authority shifts at the line item level, but the core operations of the CDA remain fundamentally the same. Notable changes are described in greater detail below

Personnel-Permanent Positions

Are you proposing an allocation change to the FTEs for this service?

Type	Fund	Amount	Description
Perm Wages	<input type="text" value="5100"/>	<input type="text" value="\$20,980"/>	<input type="text" value="Allocation for City staff supporting the CDA."/>
Benefits	<input type="text" value="5100"/>	<input type="text" value="\$7,066"/>	<input type="text" value="Allocation for City staff supporting the CDA."/>
Total		<input type="text"/>	

Explain the assumptions behind the allocation change.

Jim Nichols and Adam Pfost, who support the CDA as needed, now have an FTE allocation in the CDA General Fund. A corresponding reduction in permanent salaries and benefits is recognized in the DPCED Office of the Director.

What is the justification behind the allocation change?

This is consistent with the Contract for Services between the CDA and the City of Madison.

Personnel-Other Personnel Spending

Are you requesting additional personnel spending for non-annualized pay?

Type	Fund	Amount	Description
Overtime	<input type="text" value="5100"/>	<input type="text" value="\$300"/>	<input type="text" value="Overtime budget authority is increased to better reflect actuals from prior years."/>
Premium Pay	<input type="text"/>	<input type="text"/>	
Hourly	<input type="text" value="5100"/>	<input type="text" value="(\$18,000)"/>	<input type="text" value="The CDA employed an intern in 2019 who has since left for a permanent position. There are no plans to hire an intern in 2020."/>
Total		<input type="text" value="(\$17,700)"/>	

Explain the assumptions behind the requested funding.

Based on actual overtime expenses in previous years, the budget has been modestly increased to better reflect activity.

What is the justification behind the increased funding?

Revenue

Are you proposing a change to the service's budgeted revenue?

Are you proposing an increase or a decrease to the budgeted revenue?

Decrease ▾

Fund	Major	Amount	Description
5100	43	\$61,050	Reimbursement of Expense - This line is updated to better reflect actual reimbursements from CDA properties for payments in lieu of taxes (described above) and insurance.
5100	43	(\$1,691,000)	Non Dwelling Rent - Like Management Services described above, this has been used as a bridge entry between MUNIS and the Village on Park. In 2020, the bridge entry is discontinued in favor of maintaining the finances with the property manager and engaging a third-party auditor.
5100	46	\$36,496	Interest - As noted above, the budgeted interest has been updated to better reflect the debt service schedules. Notably, the 2013 Lease Revenue bonds will retire in 2020.
5100	47	(\$205,000)	Miscellaneous Revenue - The budget authority was removed to better reflect actual activity. The budget authority was related to Monona Shores, a CDA-owned property, but there was no activity shown in previous years.
5100	48	\$310,000	Sale of Assets - Budget authority was increased to better reflect actual activity from the sale of properties at Mosaic Ridge.

Insert item

Explain the assumptions behind the change to budgeted revenue.

What is the justification behind the proposed change?

As part of realigning the service budget, the revenue budget was clarified to better reflect anticipated revenue. In this case, revenue is primarily a reimbursement for expenses, like property taxes, interest, and insurance, that are recognized in the general fund for CDA enterprises. There are no significant changes in actual revenue activity, but the budget now more accurately reflects the finances of the CDA.

Non-Personnel

Are you requesting additional non-personnel funding for this service?

No ▾

Fund	Major	Amount	Description
5100	54	(\$610,000)	Management Services - The Village on Park, a CDA-owned property, is managed by a third-party property manager. In 2019, the CDA entered aggregated monthly financial activity for the Village on Park into MUNIS to bridge the finances of the CDA and property manager. In 2020, the CDA intends to maintain financial transactions with the property manager and engage a third-party auditor to review their transactions. This is the model currently used by the CDA for the Monona Shores property. The change in budget authority reflects the end of the bridge transaction and not a reduction in real expenses at the Village on Park.
5100	56	(\$664,609)	Principal - In an effort to manage the CDA's finances, previous budgets entered principal payments in the budget. However, principal payments are generally not included in the budget because the transaction is recognized on the balance sheet and not as expenses. In 2020, the budget for principal is removed to better reflect the transaction.
5100	56	(\$40,536)	Interest - The budgeted interest has been updated to better reflect the debt service schedules. Notably, the 2013 Lease Revenue bonds will retire in 2020.
5100	56	(\$25,000)	Payments In Lieu of Taxes - The budget is adjusted to better reflect actual payments made in place of property taxes.
5100	56	(\$159,662)	Fund Balance Generated - The budget is adjusted to balance overall revenues with overall expenses.

Insert item

Explain the assumptions behind the requested funding.

What is the justification behind the proposed change?

Part 2: Scaling Service Delivery

What amount is 2.5% of the service expenditure budget?

Increase

Explain how you would change the service activities and the level of service as a result of implementing a 2.5% funding increase to this service:

Consistent with direction from Finance, CDA Redevelopment has not developed funding scenarios as it does not receive direct support from the General Fund. As a separate body, the CDA is ultimately responsible for operating in a financially responsible and sustainable manner. As stewards of public resources, the CDA balances operations within the constraints of the revenue that it generates.

Explain the changes by major expenditure category that your agency would implement as a result of a 2.5 % funding increase to this service:

Would the changes include an increase to permanent staffing levels for this service? If yes, FTEs:

What impacts would City residents and visitors experience if this service is provided a 2.5% increase in funding?

Decrease

Explain how you would change the service activities and the level of service as a result of implementing a 2.5% funding decrease to this service:

Explain the changes by major expenditure category that your agency would implement as a result of a 2.5 % funding decrease to this service:

Would the changes include a decrease to permanent staffing levels for this service? If yes, FTEs:

What impacts would City residents and visitors experience if this service is provided a 2.5% decrease in funding?

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