

## Budget by Fund

	2018 Actual	2019 Adopted	2020 C2C	2020 Request	\$ Change
General	175,000	175,000	175,000	175,000	-
Other-Expenditures	22,521,111	23,448,397	23,448,397	24,048,275	599,877
<b>TOTAL</b>	<b>\$ 22,696,111</b>	<b>\$ 23,623,397</b>	<b>\$ 23,623,397</b>	<b>\$ 24,223,275</b>	<b>\$ 599,877</b>

## Budget by Service

	2018 Actual	2019 Adopted	2020 C2C	2020 Request	\$ Change
HOUSING VOUCHERS	14,018,592	15,280,979	15,273,168	15,940,945	659,966
PUBLIC HOUSING	8,677,520	8,342,418	8,350,229	8,282,330	(60,089)
<b>TOTAL</b>	<b>\$ 22,696,111</b>	<b>\$ 23,623,397</b>	<b>\$ 23,623,397</b>	<b>\$ 24,223,275</b>	<b>\$ 599,877</b>

## Budget by Major

	2018 Actual	2019 Adopted	2020 C2C	2020 Request	\$ Change
Revenue	(175,000)	(175,000)	(175,000)	(175,000)	-
Personnel	3,439,908	4,074,819	4,033,152	4,281,648	206,829
Non-Personnel	19,087,729	19,483,261	19,503,394	19,856,288	373,027
Agency Billings	343,475	240,317	261,851	260,339	20,022
<b>TOTAL</b>	<b>\$ 22,696,111</b>	<b>\$ 23,623,397</b>	<b>\$ 23,623,397</b>	<b>\$ 24,223,275</b>	<b>\$ 599,877</b>



## Community Development Authority

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### Memo

To: David Schmiedicke, Finance Director  
From: Tom Conrad, Interim Director-CDA Housing Operations Division  
Date: July 10, 2019  
  
Subject: 2020 Operating Budget Request

The 2020 operating budget request for the CDA Housing Operations Division sets forth a spending plan that is consistent with the Mayor's directive. Our proposal expands the availability of rent assistance for low-income families and improves the level of service to our program participants while controlling costs and maintaining flat funding from the City.

The operating budget for the Housing Operations Division consists of two services:

Housing Vouchers: This service provides rental assistance to low-income families across the City of Madison in the form of Section 8 Housing Vouchers. The priority for 2020 is to maintain the number of families receiving assistance at about 1700 in the face of rising costs per family and static federal funding.

Public Housing: This service provides housing to low-income families across the City of Madison through the Low-income Public Housing program and the Multi-Family Housing program. The CDA owns and manages and maintains this housing and residents pay rent based on their income. The priority for 2020 will be to maintain occupancy rates and improve services provided to our residents.

Our proposal includes 3 new positions in our Public Housing program. The CDA proposes to add a Maintenance Supervisor at each of our 3 sites to address issues of inventory management, preventative maintenance, and warranty management. These new staff would also improve unit turnaround time, coordination with subcontractors and employee supervision.

I look forward to meeting with you to discuss our proposal.

Sincerely,

Tom Conrad  
Interim Director

# 2020 Operating Budget

## Service Budget Proposal

### IDENTIFYING INFORMATION

SELECT YOUR AGENCY:

CDA Housing Operations

SELECT YOUR AGENCY'S SERVICE:

Housing Vouchers

SERVICE NUMBER:

922

SERVICE DESCRIPTION:

This service provides Section 8 housing vouchers across the City of Madison. The housing vouchers provide rental assistance to fill the gap between what low-income tenants can afford to pay and the actual cost of decent, safe, and sanitary housing. The voucher program serves households with incomes below 50 percent of area median income: Priority is given to the elderly, disabled, families with minor children, chronically homeless veterans, and other targeted groups. This service also administers Housing Choice Vouchers, which covers the billing for voucher recipients who are new to Madison or move to another housing authority. The goal of this service is to help chronically homeless individuals and families to become housed in permanently supported 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	\$53,205	(\$5,863)	\$0	(\$819)	\$0	\$102,002
Other-Expenditures	\$14,268,423	\$14,060,839	\$14,018,592	\$15,281,798	\$15,273,168	\$15,838,943
<i>Total</i>	<i>\$14,321,628</i>	<i>\$14,054,976</i>	<i>\$14,018,592</i>	<i>\$15,280,979</i>	<i>\$15,273,168</i>	<i>\$15,940,945</i>
<i>Budget by Major</i>						
Revenue						
Personnel	\$889,114	\$961,685	\$930,558	\$1,093,756	\$1,080,754	\$1,107,836
Non-Personnel	\$13,332,176	\$12,996,614	\$12,985,453	\$14,128,123	\$14,128,123	\$14,774,605
Agency Billings	\$100,338	\$96,677	\$102,581	\$59,100	\$64,291	\$58,504
<i>Total</i>	<i>\$14,321,628</i>	<i>\$14,054,976</i>	<i>\$14,018,592</i>	<i>\$15,280,979</i>	<i>\$15,273,168</i>	<i>\$15,940,945</i>
FTEs		11.78		12.83	12.99	13.11

### PRIORITY

Citywide Element Neighborhoods and Housing

Describe how this service advances the Citywide Element:

The Section 8 Housing Voucher Program contributes to the Neighborhood and Housing element by providing vouchers to low-income City residents which increases the affordable housing opportunities throughout the City.

### ACTIVITIES PERFORMED BY THIS SERVICE

Activity	% of Effort	Description
Administration	10	The expenses incurred to administer the Section 8 program.
Housing Assistance Payments	90	Direct payments made to landlords for housing low income residents.

Insert item

### SERVICE BUDGET CHANGES

Service Impact

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

\$667,777

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

The increase from cost to continue to the agency request is due to 2 factors. First, the CDA has changed a procedure in how it handles Section 8 voucher holders who move into the City from another housing authority's jurisdiction. In 2019, the CDA began billing other housing authorities for this voucher instead of absorbing these vouchers into the CDA Section 8 program. This procedure change has increased the expenditures by \$324,000, which is matched by a revenue (object 42410). The second reason is due to the increase in the budgeted amount for housing assistance payments. This increase is budgeted in alignment with a projection tool from HUD and is reimbursed from HUD. These lines have no impact on the City's general funding.

**Personnel-Permanent Positions**

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

Type	Fund	Amount	Description
Perm Wages	5100		
Benefits	5100		
<b>Total</b>			

Explain the assumptions behind the allocation change.

What is the justification behind the allocation change?

**Personnel-Other Personnel Spending**

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

Type	Fund	Amount	Description
Overtime	5100	\$18,083	Overtime for 5 FTE staff
Premium Pay	5100	(\$135)	Premium pay for overtime hours worked
Hourly	5100	(\$7,000)	1 Hourly employee
<b>Total</b>		\$10,948	

Explain the assumptions behind the requested funding.

This proposal assumed 2018 actuals and reduced the hourly budget to 1 hourly employee for the year.

What is the justification behind the increased funding?

The changes in budget are in alignment with 2018 actuals and plans to hire 1 hourly employee in 2020.

**Revenue**

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

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

Fund	Major	Amount	Description
5100	42	\$557,145	Federal Revenues - Section 8 Funding

**Insert item**

Explain the assumptions behind the change to budgeted revenue.

This budget assumes 1700 average unit month's leased (average number of vouchers per month) and an 80% proration from HUD for administrative revenues, a decrease from 2019 to 2020. The HAP revenues are assumed from HUD's projection tool.

What is the justification behind the proposed change?

These revenues are all federally funded. In addition, the CDA will be billing other housing authorities instead of absorbing portable vouchers, which is matched by an expense.

**Non-Personnel**

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

Fund	Major	Amount	Description
5100	54	\$646,482	Housing Assistance Payments

**Insert item**

Explain the assumptions behind the requested funding.

The CDA has assumed HUD's projection for the amount of Housing Choice Vouchers in this major.

What is the justification behind the proposed change?

This increase is based on federally available funding. It is reimbursed by HUD and has no impact on the City's general fund.

## 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:

An increase of \$2,505 in this service would allow an hourly employee to work an additional 3 hours per week.

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

This increase would impact 92201007-51210.

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?

An increase in the number of hours worked by an hourly employee would assist CDA Section 8 staff with improving customer service and program efficiencies.

### 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:

A decrease of \$2,505 in this service would reduce the number of hours an hourly employee would work by 3 hours per week.

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

The decrease would impact 92201007-51210.

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?

A decrease in the number of hours worked by an hourly employee would impact the level of customer service provided to Section 8 voucher holders.

Submit

# 2020 Operating Budget Service Budget Proposal

## IDENTIFYING INFORMATION

SELECT YOUR AGENCY:

CDA Housing Operations

SELECT YOUR AGENCY'S SERVICE:

Public Housing

SERVICE NUMBER:

921

SERVICE DESCRIPTION:

This service provides public housing assistance across the City of Madison through Community Development Authority (CDA) owned and operated developments. The CDA owns, manages, and maintains 766 units of Low Rent Public Housing on 37 sites throughout the City with funding from the federal Department of Housing and Urban Development (HUD). It also owns, manages, and maintains 114 multi-family units with funding from Wisconsin Housing and Economic Development Authority (WHEDA). This service is available to residents with income below 80 percent of area median income, with priority given to the elderly, disabled, and families with minor children. Residents in CDA housing pay 30 percent of adjusted gross income for rent and utilities.

### 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	\$123,307	\$180,863	\$175,000	\$175,819	\$175,000	\$72,998
Other-Expenditures	\$8,399,942	\$7,406,359	\$8,502,520	\$8,166,599	\$8,175,229	\$8,209,332
<b>Total</b>	<b>\$8,523,249</b>	<b>\$7,587,222</b>	<b>\$8,677,520</b>	<b>\$8,342,418</b>	<b>\$8,350,229</b>	<b>\$8,282,330</b>
<i>Budget by Major</i>						
Revenue						
Personnel	\$2,544,144	\$2,623,140	\$2,509,350	\$2,981,063	\$2,952,398	\$3,173,812
Non-Personnel	\$5,739,951	\$4,667,907	\$5,927,276	\$5,180,138	\$5,200,271	\$4,906,683
Agency Billings	\$239,154	\$296,175	\$240,894	\$181,217	\$197,560	\$201,835
<b>Total</b>	<b>\$8,523,249</b>	<b>\$7,587,222</b>	<b>\$8,677,520</b>	<b>\$8,342,418</b>	<b>\$8,350,229</b>	<b>\$8,282,330</b>
FTEs		30.55		35.30	35.10	38.10

## PRIORITY

Citywide Element Neighborhoods and Housing


Describe how this service advances the Citywide Element:

Through the Public Housing and Multifamily Housing programs, the CDA provides decent, safe, and sanitary housing to extremely low-income residents throughout the City of Madison. The CDA is a direct provider of housing to residents who would otherwise be at risk of homelessness. This housing includes community spaces that bring residents and community members together. The CDA Resident Service Coordinators provide services to residents that help them age healthfully in place or successfully move out of public housing.

## ACTIVITIES PERFORMED BY THIS SERVICE

Activity	% of Effort	Description
Central Operating Cost Center (COCC)	4	The COCC provides administrative support to the Public Housing program and is housed at the MMB. COCC staff collect and screen all program applications and provide policy, procurement, and financial oversight.
East Asset Management Project 200 (East AMP)	18	The East AMP is comprised of 163 units in 41 buildings at 6 different physical locations. This activity includes all expenses to manage and maintain this physical property in accordance with federal requirements.

West AMP 300	29	The West AMP is comprised of 294 units in 53 buildings at 23 different physical locations. This activity includes all expenses to manage and maintain these properties in accordance with federal requirements.
Triangle AMP 400	21	The Triangle AMP is comprised of 224 units in 7 buildings at 1 physical location. This activity includes all expenses needed to manage and maintain these properties in accordance with federal requirements.
Truax Phase 1 LLC, AMP 500	8	The Truax Phase 1 AMP is comprised of 71 units in 6 buildings located on the East Site, bordering Wright and Straubel Streets. This property includes 47 public housing units and 24 Project Based Section 8 voucher units, all of which are managed by the East Site Manager. This activity includes all tax credit compliance activities as well as all expenses needed to manage and maintain these properties in accordance with federal requirements.
Truax Phase 2 LLC, AMP 600	4	The Truax Phase 2 AMP is comprised of 48 units in 3 buildings located on the East Site. This property includes 40 public housing units and 8 Project Based Section 8 Voucher units. The CDA manages 40 units and Porchlight manages 8 units. This activity includes all tax credit compliance activities as well as all expenses needed to manage and maintain these properties in accordance with federal requirements.
Karabis Apartments	4	Karabis Apartments is comprised of 20 units in 1 building located at the Triangle Site. All of the units in this building are handicapped accessible. This activity includes all expenses needed to manage and maintain this building in accordance with our contract with WHEDA.
Parkside Apartments	11	Parkside Apartments is comprised of 94 units and 1 commercial space in 5 buildings at the Triangle Site. The commercial space is currently leased to Asian Foods. This activity includes all expenses needed to manage and maintain these buildings in accordance with our contract with WHEDA.

 Insert item

### SERVICE BUDGET CHANGES

#### Service Impact

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

Decrease of 67,899

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

This change is largely do to reallocation of resources, improved processes, and a change in how CDA manages it's Capital Fund Grant.

#### Personnel-Permanent Positions

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

Type	Fund	Amount	Description
Perm Wages	5100	\$176,763	3 FTE's (1 at each housing site) CDA Maintenance Supervisor
Benefits	5100	\$47,697	3 FTE's (1 at each housing site) CDA Maintenance Supervisor
<b>Total</b>		<b>\$224,460</b>	

Explain the assumptions behind the allocation change.

After meeting with HR, we have estimated the position might be classified under comp group 18, range 6. We used the 2018 employee cost calculator to estimate the benefit projection.

What is the justification behind the allocation change?

The CDA is proposing to hire 3 Maintenance Supervisors, 1 at each housing site in 2020 for several reasons. The CDA has been attempting to address several findings from a HUD Compliance Review, one of which was related to inventory management. The CDA does not currently have the staff capacity to manage inventory for its housing portfolio of over \$65 million in assets. In addition, there are several work areas that are not being addressed with current staffing levels, including preventative maintenance and warranty management. The current industry standard for residential apartment maintenance staff is 1 FTE per 50,000 square feet of housing. The CDA currently manages 550,000 square feet of housing with 9 FTE's, which is 2 FTE's short of the national standard, meaning that current staffing levels only allow for response to work order requests and apartment turns. Lastly, HUD decentralized the public housing program in the early 2000's, meaning that the CDA is not allowed to hire 1 FTE at the Central Office to supervise maintenance staff. Given HUD's model, the CDA has proposed to hire 3 Maintenance Supervisors, one at each housing site. The Maintenance Supervisor would manage inventory, monitor warranties, conduct preventative maintenance activities, assist with apartment turns, coordinate subcontractors, and conduct administrative supervisory functions. Supervisory functions include recommending hiring of staff, training, assigning, evaluating, and disciplining staff, distributing work to employees, conducting quality control functions, resolution of customer maintenance complaints, scheduling HUD, WHEDA, and Tax Credit inspections and forecasting maintenance and improvement services to ensure consistent services to residents.

**Personnel-Other Personnel Spending**

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

Type	Fund	Amount	Description
Overtime	5100	\$19,696	Overtime for all sites.
Premium Pay	5100	\$1,663	Premium pay for all sites.
Hourly	5100	(\$3,110)	Reduction in hourly pay for all sites
<b>Total</b>		<b>\$18,249</b>	

Explain the assumptions behind the requested funding.

The overtime and premium pay budget was increased to better reflect actuals, particularly with maintenance staff. These staff are required to work overtime due to the 24-hour maintenance on-call schedule. The CDA has budgeted to reduce hourly costs in 2020.

What is the justification behind the increased funding?

We were underbudgeted in several strings and this increase simply brings the budget more in line with actual expenses. In addition, we have slightly lowered our hourly budget but have kept some budget here for contingencies.

**Revenue**

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

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

Fund	Major	Amount	Description
5100	49	\$132,267	Reduction in transfers between CDA subfunds

**Insert item**

Explain the assumptions behind the change to budgeted revenue.

The CDA has typically applied for a security waiver in our Capital Fund Grant. The CDA has reached the maximum number of years for eligibility for this waiver. This budget assumes the CDA will not receive this waiver in 2020, which occurs as a transfer from the Capital Fund org code to the Admin org code.

What is the justification behind the proposed change?

The CDA will not be applying for or receiving a security waiver for the Capital Fund Grant in 2020.

**Non-Personnel**

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

Fund	Major	Amount	Description
5100	53, 54	\$293,588	Reduction of expenses

**Insert item**

Explain the assumptions behind the requested funding.

The CDA budgeted for some special projects in 2019, which will not occur in 2020. In addition, some of these changes are as a result of the way the Capital Fund Grant is administered/allocated.

What is the justification behind the proposed change?

The CDA has allocated a portion of the operating revenues from the Capital Fund Grant from purchased services to personnel as a result of the proposal to hire 3 new Maintenance Supervisors.

**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:

An increase of \$1,825 from the City would allow CDA to purchase 8 new air conditioners for residents. Most CDA units are currently not air conditioned because HUD considered air conditioning a luxury at the time of building construction. The need for air conditioners has become a medical need to many CDA residents due to medications they are taking and other respiratory medical conditions. In addition, the CDA houses many elderly residents who need air conditioning in order to be comfortable in their homes and reduce risks of overheating. CDA apartments do not currently have sufficient ventilation which prohibits the effective use of a fan.

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

The CDA would increase object 53325 (HVAC Supplies) at Tenney Park Apartments (subfund 51202), Romnes Apartments (subfund 51203) and Traingle (subfund 51204).

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?

8 CDA residents would experience positive health impacts during summer months.

### 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:

A decrease of \$1,825 from the City would delay the development of safety and security policies. The CDA assembled a project team to address the lack of safety and security policies within the agency. This team was working in collaboration with the City's Safety Coordinator. This item was addressed in the CDA's workplanning phase of budget development and \$10,000 was added to the budget to pay for consulting fees for a third party to develop these policies for the CDA. A decrease of \$1,825 would reduce the amount available for the creation of these policies, which would delay this project significantly.

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

The CDA would decrease budget from line item 92101001-54645.

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?

If this funding is available, CDA residents would experience better quality of service from CDA staff in crisis situations. Safe facilities are safe for both residents and employees!