

**SUBMITTAL TO THE BOARD OF COMMISSIONERS OF THE  
HOUSING AUTHORITY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

181A



**FROM:** Housing Authority

**SUBMITTAL DATE:** May 28, 2004

**SUBJECT:** . Resolution No. 2004-02, Fiscal Year 2004-2005 Budget

**RECOMMENDED MOTION:** That the Board of Commissioners adopt Resolution 2004-02 approving the Fiscal Year 2004-2005 Housing Authority Budget for Housing Authority Programs.

**BACKGROUND:** Funded primarily by multi-year contracts with the U.S. Department of Housing and Urban Development (HUD), the Housing Authority operates housing programs outlined in Part I of the attached Budget Briefing Booklet for Fiscal Year 2004-2005. The programs administered by the Housing Authority benefit low and moderate income individuals in the unincorporated areas and participating cities. All costs of operating these programs are offset principally by revenue from Federal, State and local governments and agencies, pursuant to governmental cost accounting guidelines. Various contracts with the U. S. Department of Housing and Urban Development (HUD), from one to fifteen years duration, provide for an administrative fee, earned by the Authority for the development, rehabilitation, lease and maintenance of affordable housing. These earned revenues compensate the Authority for the cost of operating the programs.

The Resolution approves the amounts budgeted for the Authority during Fiscal Year 2004-2005. Adoption of this Resolution by your Board is required by HUD regulations. Approval and appropriation of the Fiscal Year 2004-2005 Housing Authority Budget before June 30, 2004, is necessary to continue housing assistance payments for 7,864 participating low-income households. These payments must start on July 1, 2004.

*Bradley J. Hudson*

Bradley J. Hudson  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 64,842,847	In Current Year Budget:
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:
	Annual Net County Cost:	\$ 0	For Fiscal Year: 2004-05
<b>SOURCE OF FUNDS:</b> U.S. Department Housing & Urban Development			Positions To Be Deleted Per A-30 <input type="checkbox"/>
			Requires 4/6 Vote <input type="checkbox"/>

**C.E.O. RECOMMENDATION:** **APPROVE**

**County Executive Office Signature**

*Rhonda King*

Dep't Recomm.:  Consent  Policy   
Per Exec. Ofc.:  Consent  Policy

**Prev. Agn. Ref.:**

**District:** All

**Agenda Number:**

10.2

**RESOLUTION NO. 2004-02**

**RESOLUTION BY THE BOARD OF COMMISSIONERS OF THE  
HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE  
APPROVING FISCAL YEAR 2004-2005 CONSOLIDATED BUDGET**

**WHEREAS**, the Housing Authority of the County of Riverside was created pursuant to Section 34200 of the California Health and Safety Code to provide housing for low and moderate income families; and

**WHEREAS**, the Housing Authority of the County of Riverside administers a variety of local, State and Federal Programs in pursuit of its mission; and

**WHEREAS**, the Housing Authority of the County of Riverside operates public housing developments authorized by Department of Housing and Urban Development (HUD); and

**WHEREAS**, the attached consolidated budget has been prepared in accordance to and consistent with all applicable laws and guidelines; and

**WHEREAS**, the United States Housing Act of 1937, as amended, provides that there shall be local determination of the need for public housing to meet needs not being adequately met by private enterprise; and

**WHEREAS**, under the provisions of the United States Housing Act of 1937, as amended, the Department of Housing and Urban Development is authorized to provide financial assistance to public housing agencies for such housing; and

**WHEREAS**, the Comprehensive Plan or Annual Statement for the public housing modernization Capital Fund Number CA-16-PO27-501-04 must be approved by resolution, and

**NOW THEREFORE, BE IT RESOLVED**, that the Board of Commissioners of the Housing Authority of the County of Riverside do hereby approve the allocation and appropriation of the funds in accordance to the Fiscal Year 2004-2005 consolidated budget.

**BE IT FURTHER RESOLVED** that this resolution shall become effective immediately.

**APPROVED AND ADOPTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2004**

**SEAL**

**ATTEST**

# Executive Summary

## Overview

The Housing Authority of the County of Riverside (Housing Authority) has a total annual operating budget responsibility of approximately \$64.8 million for Fiscal Year 2004-2005, which includes \$2.4 million for Authority programs, \$4.2 million for Public Housing programs, and \$58.2 million for Section 8 programs, with an authorized work force of 110 permanent and 19 temporary/contract staff.

The Fiscal Year 2004-2005 annual operating budget, which begins July 1, 2004, is a balanced budget. It is anticipated that a decrease in HUD funding will adversely affect the Housing Authority's revenue sources for the Fiscal Year 2004-2005.

## Purpose of Annual Operating Budget

The purpose of the annual operating budget is to serve as a financial plan to guide the agency during the upcoming fiscal year as it continues to provide a wide variety of housing services to the citizens of the County of Riverside. In doing so, the Housing Authority will continue its on-going commitment of ensuring that it operates its finances with the highest standards of ethics, management and accountability.

## Budgetary Control

The finance department works closely with the other departments to monitor the annual operating budget throughout the fiscal year in order to avoid expenditures in excess of available funds. Monthly and quarterly financial documents are prepared to assist in this process. In case of a revenue shortfall, planned expenditures are reduced or deferred.

## Significant Changes From the Fiscal Year 2004 Budget

Following is a brief summary of the major changes that have impacted the FY 2004-2005 annual operating budget.

### Authority

The Administration Building and Services Fund includes Non-Dwelling rental income received from the Economic Development Agency's Aviation Division and Housing, Rehabilitation & Ownership Division, which occupy space in the Housing Authority's Administration building.

In August 2001, the Corona properties were sold to satisfy the note payable issued with the 1998 bond issue. The note was satisfied; however, the 1998 bond issue remained. As a result, only the grant revenue (received from the City of Corona) and debt service payments are reflected in the Corona program's budget.

The Breezewood property was sold on October 22, 2003. The proceeds from the sale of the property were used to pay off the 1998 Series B and Series C Revenue bonds. The sale eliminated the Housing Authority's obligation under the Series C bond issue, which had a pledge of \$240,000 annually toward the payment of debt service.

The El Solano property, which is located in the City of Blythe, was sold on November 3, 2003. The sale eliminated the 1986 Revenue Series A bond issue and all related debt service payments. The bond issue was issued to purchase the Administration building, El Solano property, and Nightengale Emergency Shelter.

#### Public Housing

Across the board county pay increases, step increases, promotional opportunities and additional interfund salaries allocated from EDA can be attributed to the 2.5% (\$316,349) increase in personnel expenses budgeted for FY 04-05 for the Public Housing program.

#### Section 8

Across the board county pay increases, step increases, new positions, and an increase in EDA interfund costs can be attributed to the 10% (\$471,208) increase in personnel expenses budgeted for FY 04-05 for the Section 8 program.

#### Overall Changes

County-wide pay increases, step increases, new positions, an increase in EDA interfund costs can be attributed to the increase in budgeted personnel expenses of \$552,065 (8%).