

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



**ITEM
10.2
(ID # 4346)**

MEETING DATE:
Tuesday, June 20, 2017

FROM : HOUSING AUTHORITY:

SUBJECT: HOUSING AUTHORITY: Adopt Resolution No. 2017-006 Approving the Housing Authority Fiscal Year 2017-2018 Annual Budget, All Districts, (\$110,302,092), Housing and Urban Development 75.84%; Housing Authority Revenue 2.85%; State of California 0.75%; Department of Public & Social Services 1.12%; City Funds 1.50%; Housing Authority Successor Agency 16.52%; Rental Assistance Demonstration 1.42%; CEQA Exempt

RECOMMENDED MOTION: That the Board of Commissioners:

1. Find that the project is exempt from California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15061 (b)(3);
2. Adopt Resolution No. 2017-006 Approving the Housing Authority of the County of Riverside's Fiscal Year 2017-2018 Annual Budget for Housing Authority Programs;
3. Approve the attached Housing Authority of the County of Riverside Fiscal Year 2017-2018 Annual Budget;

ACTION: Policy

Robert Field, Assistant County Executive Officer/EDA

5/15/2017

MINUTES OF THE BOARD OF COMMISSIONERS

On motion of Commissioner Jeffries, seconded by Commissioner Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None
Date: June 20, 2017
xc: Housing Authority

Kecia Harper-Ihem
Clerk of the Board

By:
Deputy

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

RECOMMENDED MOTION: That the Board of Commissioners:

4. Authorize the Chairman of the Board to execute the attached form HUD-52574 certifying the approval of the Housing Authority's Fiscal Year 2017-2018 Annual Budget pursuant to Resolution No. 2017-006;
5. Authorize the Executive Director or designee, to take all steps necessary to implement Resolution No. 2017-006, including, but not limited to, signing any forms required by the U.S Department of Housing and Urban Development (HUD), subject to County Counsel approval; and
6. Direct Housing Authority Staff to file the Notice of Exemption with the County Clerk within 5 working days.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$ 110,302,092	\$ 110,302,092	\$ 0
NET COUNTY COST	\$0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: : HUD 75.84%; HA Rev 2.85%; State of CA 0.75%; DPSS 1.12%; City Funds 1.50%; HASA 16.52%; RAD 1.42%.				Budget Adjustment: No
				For Fiscal Year: 17/18

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Housing Authority of the County of Riverside (HACR) operates various housing programs identified in the proposed Housing Authority of the County of Riverside Fiscal year 2017-2018 Annual Budget (Annual Budget), funded primarily by annual and multi-year contracts with the U.S. Department of Housing and Urban Development (HUD). These housing programs benefit low and moderate income individuals in Riverside County. All costs of operating the housing programs are offset principally by revenues from Federal, State, and Local governments and agencies pursuant to governmental cost accounting guidelines. Various contracts with HUD, ranging from 1 to 15 year durations, provide for an administrative fee earned by the HACR for the development, rehabilitation, lease and maintenance of affordable housing. The proposed Annual Budget is attached.

The Annual Budget also includes program income and bond proceeds derived from housing assets transferred to the HACR in its capacity as housing successor to the former Redevelopment Agency for the County of Riverside (former Riverside County RDA) pursuant to the California redevelopment dissolution laws, and an administrative cost allowance necessary to perform all activities in HACR's capacity as the housing successor to the former Riverside County RDA and the former Coachella Redevelopment Agency.

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

Should the Board approve the attached Annual Budget, HUD requires approval of such budget via Board Resolution to continue housing assistance payments for over 10,000 low-income households. These payments must commence on July 1, 2017. Proposed Resolution No. 2017-006 approving the Annual Budget is attached.

Pursuant to the California Environmental Quality Act (CEQA), the proposed Annual Budget was reviewed and determined to be categorically exempt from CEQA under the State CEQA Guidelines Section 15061 (b)(3), General Rule or "Common Sense" exemption. It can be seen with certainty that there is no possibility that approval of the Annual Budget may have a significant effect on the environment, since it is an administrative document and will only have financial effects. A Notice of Exemption will be filed by HACR staff with the County Clerk within 5 days of the approval of the Annual Budget.

County Counsel has reviewed Resolution No. 2017-006 as to form. Staff recommends approval of the Annual Budget and adoption of Resolution No. 2017-006.

Impact on Residents and Businesses

Approval of the Fiscal Year 2017-2018 Annual Budget will enable the HACR to continue with its mission of providing project and tenant based rental assistance, short term rental/utility assistance, housing information service, and housing case management services to low and moderate-income households, veterans, and chronically homeless individuals.

SUPPLEMENTAL


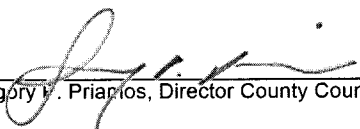
Additional Fiscal Information

Sources of funds vary per program, and are identified in the attached Fiscal Year 2017-2018 Annual Budget; funding from the County General Fund is not needed.

ATTACHMENTS

Housing Authority Fiscal Year 2017-2018 Annual Budget
Board of Commissioners Resolution No. 2017-006 Approving the Housing Authority of the County of Riverside's Fiscal Year 2017-2018 Annual Budget
Form HUD-52574 (PHA Board Resolution Approving Operating Budget for FY 2017-2018)

RF: JWW: HM: JA: SE 13585
S:\Department\Administration\Form 11\Form 11 FY 17-18 Budget


Rakini Dasika, Principal Management Analyst 6/14/2017 
Gregory V. Priarios, Director County Counsel 5/15/2017

RESOLUTION NUMBER 2017-006

APPROVING THE HOUSING AUTHORITY OF THE COUNTY OF RIVERSIDE'S
FISCAL YEAR 2017-2018 ANNUAL BUDGET

WHEREAS, the Housing Authority of the County of Riverside ("Authority") was created pursuant to the U.S. Housing Act of 1937 and Section 34200 et seq. of the California Health and Safety Code to provide housing for low and moderate income families;

WHEREAS, the Authority administers a variety of local, state and Federal Programs in pursuit of its mission;

WHEREAS, the Authority operates public housing developments authorized by the U.S. Department of Housing and Urban Development ("HUD");

WHEREAS, the attached Housing Authority of the County of Riverside Fiscal Year 2017-2018 Annual Budget ("Annual Budget") has been prepared in accordance with and consistent with all applicable laws and guidelines;

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;

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

WHEREAS, the Board of Commissioners desires to approve the attached Annual Budget, which includes HUD financial assistance, to continue operating the Authority's various housing programs.

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FORM APPROVED COUNTY COUNSEL
BY: *J. Harsh R. Brown* 5-15-17
JAILOR R. BROWN DATE

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NOW THEREFORE, BE IT RESOLVED, FOUND, DETERMINED AND ORDERED by the Board of Commissioners of the Housing Authority of the County of Riverside ("Board"), in regular session assembled on June 20, 2017, in the meeting room of the Board of Commissioners located on the 1st floor of the County Administrative Center, 4080 Lemon Street, Riverside, California, as follows:

1. The foregoing recitals are true and correct.
2. The Board of Commissioners hereby approves the allocation and appropriation of funds identified in the Housing Authority of the County of Riverside Fiscal Year 2017-2018 Annual Budget ("Annual Budget") attached hereto as Exhibit A and incorporated herein by this reference.
3. The Board of Commissioners hereby approves the attached Annual Budget.

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ROLL CALL:

Ayes: Jeffries, Tavaglione, Washington, Perez and Ashley
Nays: None
Absent: None

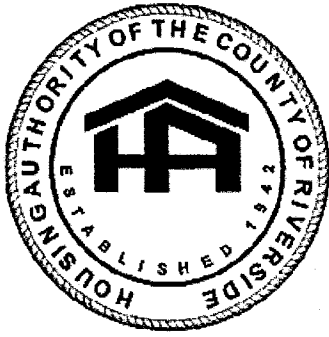
The foregoing is certified to be a true copy of a resolution duly adopted by said Board of Supervisors on the date therein set forth.

KECIA HARPER-LHEM, Clerk of said Board
By *Kareem B. Brown*
Deputy

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EXHIBIT A
Housing Authority of the County of Riverside
Fiscal Year 2017-2018 Annual Budget

(behind this page)



HOUSING AUTHORITY **of the County of Riverside**

Annual Budget **Fiscal Year 2017-2018**



Office Locations

5555 Arlington Avenue
44-199 Monroe Suite B
Indio, CA 92201

Phone (760) 863-2828
(800) 609-5708
Fax (760) 863-2838
TDD: (951) 351-9844

Workforce Development Center
44-199 Monroe Suite B
Indio, CA 92201

Phone (760) 863-2828
(800) 609-5708
Fax (760) 863-2838
TDD (760) 863-2830

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Background

The Housing Authority of the County of Riverside (HACR) was established in 1942 under the U.S. Housing Act of 1937 and the State of California Housing Authority Law of 1938. It is a government agency chartered by the State of California to administer the development, rehabilitation or financing of affordable housing programs. The area of jurisdiction of the HACR is the entire County of Riverside. Permanent operational office facilities are maintained in the cities of Riverside and Indio to facilitate the provision of services.

The governing body of the HACR is the County Board of Supervisors serving as the Board of Commissioners. The administration of the HACR is directed by the county's Economic Development Agency executive management and HACR's management team.

As of May 1, 2017, there were 65,926 applicants on a waiting list for participation in the Housing Choice Voucher (Section 8) Program and 59,736 applicants on the waiting list for the Rental Assistance Demonstration Program.

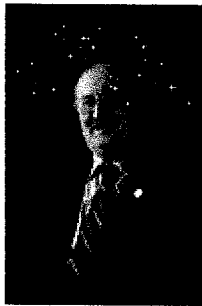
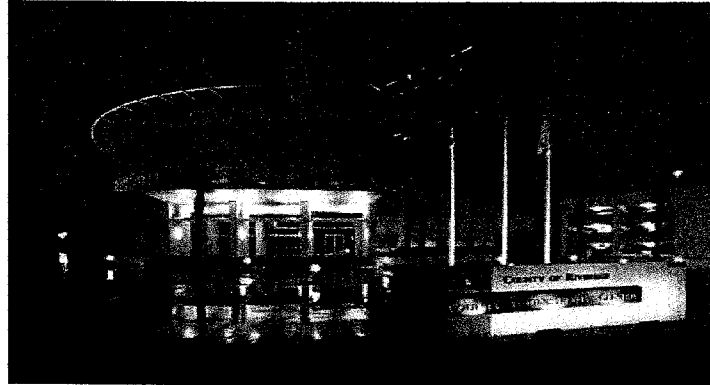
The HACR is authorized to assist 9,656 households per month throughout the County of Riverside with \$74 million in projected housing assistance subsidies for Fiscal Year 2017-2018.

The HACR provides additional housing assistance and supportive services through other grant programs and through its non-profit arm, the Riverside Community Housing Corp.



Board of Commissioners

County Administrative Center
4080 Lemon Street - 5th Floor
Riverside, California 92501



Kevin Jeffries

First District



Chairman

John F. Tavaglione

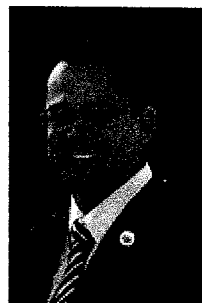
Second District



Vice Chairman

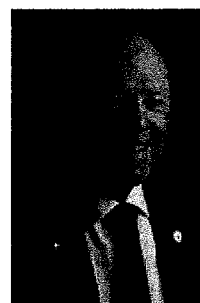
Chuck Washington

Third District



V. Manuel Perez

Fourth District

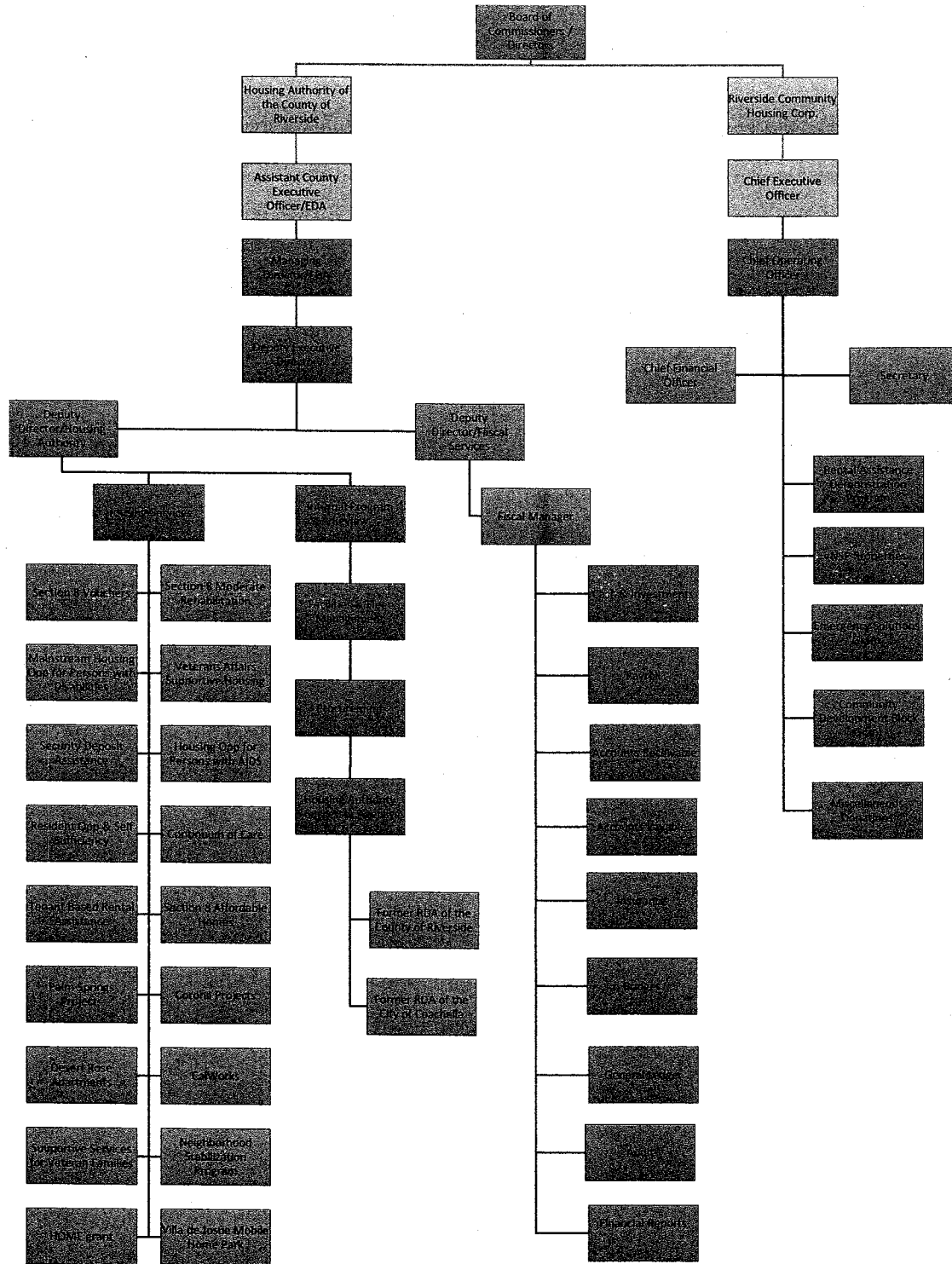


Marion Ashley

Fifth District



Organizational Chart



Executive Summary

The Housing Authority of the County of Riverside's (HACR) total operating budget for Fiscal Year 20017-2018 is \$110.3 million, which includes \$6.2 million for Authority Programs, \$80.6 million for Section 8 Programs, \$19 million for Various Grants and Housing Successor Agencies (HASA and CSA), and 4.5 million for the Riverside Community Housing Corp. (RCHC). HACR's planned staffing level includes 153 regular positions and 9 temporary positions, for a total work force of 162 positions.

The annual operating budget, which begins July 1, 2017 and ends in June 30, 2018, serves as a guide to assist HACR management in coordinating activities of the organization; anticipating problematic areas before they arise; examining operational resources; and evaluating the agency's financial performance. It is a balance budget; however, a reserve drawdown from the Central Office Center is necessary to supplement projected budgeted expenditures for the Desert Rose Apartments.

The budget is comprised of 58 individual programs or projects, the progress of which are monitored by the fiscal division and the HACR Executive Management team to ensure that actual expenditures do not highly deviate from planned resources.

The Authority Programs include the HACR's business unit, the Central Office Cost Center (COCC) that employs the HACR's management and administrative personnel, and earns income from fees charged to other programs. The COCC also provides working capital for grant programs that help households experiencing homelessness or are at-risk of homelessness maintain and/or connect to affordable housing in their area or residency. HACR's grant portfolio includes the City of Riverside's Housing Opportunities for Persons With Aids; the Department of Social Services' Continuum of Care and CalWorks Programs; HUD's Resident Opportunities for Self-Sufficiency; and the U.S. Veterans Initiative for the Supportive Services to Veterans Families (SSVF) Program. The HACR also owns and operates 17 housing units in the Palm Springs; 77 units in the City of Blythe; 3 single-family homes in the City of Riverside that were funded from the Net Restricted Assets of the Section 8 Program; and 3 condominiums funded by the City of Riverside's HOPWA program.

The Section 8 Program's Calendar Year 2017 federal funding has finally passed after seven months and three continuing resolutions. The estimated proration rate of 97.277% is lower than previous years' allocations of 99% - 100%. The HACR is currently authorized to provide 9,576 tenant-based and 128 project-based vouchers for housing assistance. HACR's Section 8 Program was designated as a High Performer for the last 14 consecutive years, which is indicative of HACR's ability to stabilize and provide affordable, safe and sanitary homes. The biggest challenge is HACR's ability to maintain or increase its lease-ups with a projected 75.7% administrative fee. HUD is still currently developing a new administrative fee formula based on its HCV Administrative Fee Study.

The HACR's responsibility in managing all the housing functions and assets of the former Redevelopment Agencies of the County of Riverside and the City of Coachella involves serving over \$119 million in loans and grants; compliance monitoring of over 2,085 units; managing different



mobile home tenant programs as well as providing financing assistance. Part of the accomplishments in the current year was the provision of \$3,996,177 for the construction of a 39-unit multifamily development in the City of Jurupa Valley and \$1,189,000 in new construction of 39 self-help single-family homes in the City of Coachella.

The Riverside Community Housing Corp.'s (RCHC) recent acquisition of 469 affordable housing units through HUD's Rental Administration Demonstration (RAD) Program and 35 affordable units through the use of NSP funds will provide stability for the HACR through its contribution to the management and bookkeeping fees for the COCC and through the employment of HACR staffing resources.

Through all of its sources of funding and ability to meet its mission to provide affordable, safe, decent, and sanitary housing opportunities, as well as supportive programs that foster economic assistance, the HACR budget is structured to meet all its obligations and open doors for new project opportunities that would ensure its long-term financial well-being.



Mission Statement

The mission of the Housing Authority of the County of Riverside (HACR) is to transform and promote healthy, thriving communities, reignite hope and restore human dignity through the creation and preservation of high quality and innovative housing and community development programs which enhance the quality of life and revitalize neighborhoods to foster self-sufficiency.

Strategic Objectives for Fiscal Year 2017-2018

The HACR's strategic objectives are to finance, acquire, develop, rehabilitate, own, manage, and sell affordable housing in Riverside County for the benefit of persons of extremely low, low and moderate income families. These goals serve to promote the common good and general welfare of the citizens of Riverside County by creating and preserving affordable housing opportunities. It reinforces the stated County Strategic goal to conserve, improve, and enhance existing neighborhoods through stabilization of quality affordable housing.

Public Safety:

- Continue to complete timely annual housing quality inspections to ensure housing quality standards.
- Apply for FSS funds to cover 7 housing coordinators and continue to foster self-sufficiency among Section 8 participants.
- Provide individuals and families with decent, safe and sanitary housing in their communities by offering over 12 grant programs with a variety of financial assistance for move-in costs, security and utility deposits, and rental assistance.
- Continue to monitor affordable housing units to ensure that the properties are maintained in accordance with affordable covenants.
- Maintain affordable units up to HUD's High Quality Standards.

Healthy Communities:

- Provide over 900 families with connections to supportive services for employment, healthcare services, Veterans benefits, In-home supportive services, and assistance with social security matters.



❖ Strategic Objectives for Fiscal Year 2017-2018

- Housing Authority Successor Agency goals:
 - Remove 80 dilapidated mobile homes from unpermitted mobile home parks through the Mobile Home Tenant Loan Program.
 - New construction of 50 multifamily affordable housing units.
 - Assist 40 families through the Down Payment Assistance Program.
 - Assist 35 families through the Senior Home Repair Program.
 - New construction of 39 self-help homes for low income families.
- Continue to modernize units under the HACR's non-profit arm, the Riverside Community Housing Corp. (RCHC) to meet highest standards for energy efficiency.

Business Friendly Operation:

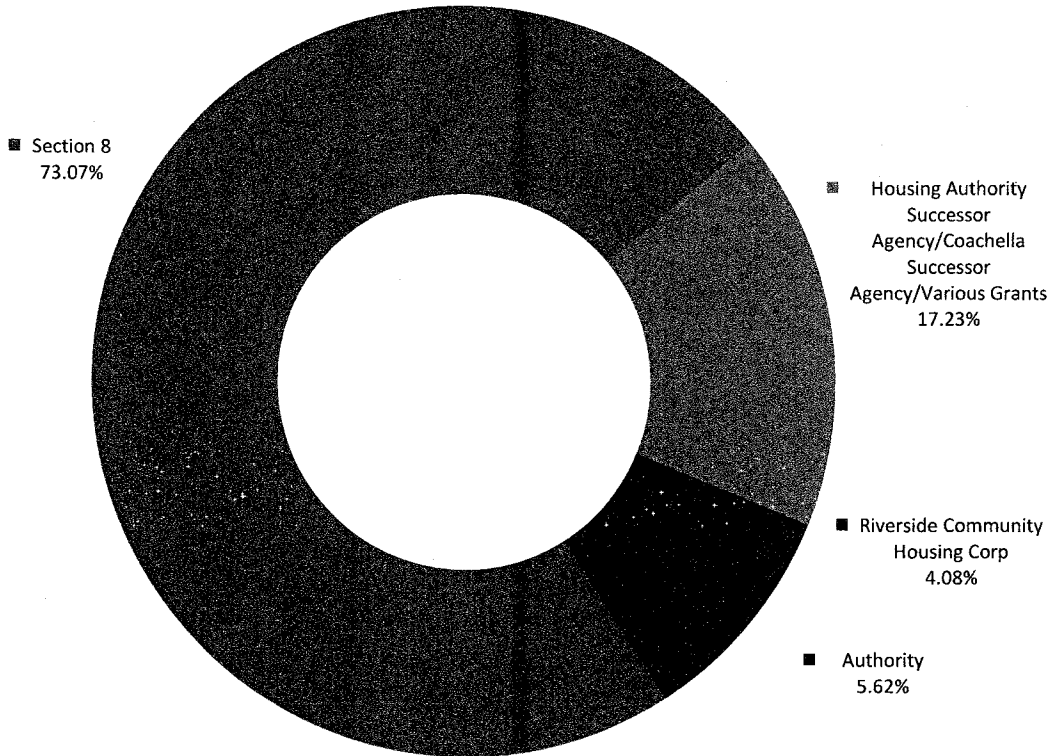
- Provide direct services to ensure individuals and families experiencing or at-risk of homelessness have access to affordable housing by eliminating barriers that come from lack of money, insurance, personal identification and transportation.
- Advocate for social equality for participants in the HACR's programs.
- Post all procurement activity at the HACR's website.
- Strengthen HACR's customer service culture by attaining 98% in favorable comments and acting on recommendations from the public.
- Stream-line procurement procedures to enable small and medium size businesses to compete more efficiently and still meet all of HUD's requirements.



2017-18 Recommended Budget at a Glance

Recommended Budget by Functional Area: All Funds

Total Recommended Budget: \$110.3 million



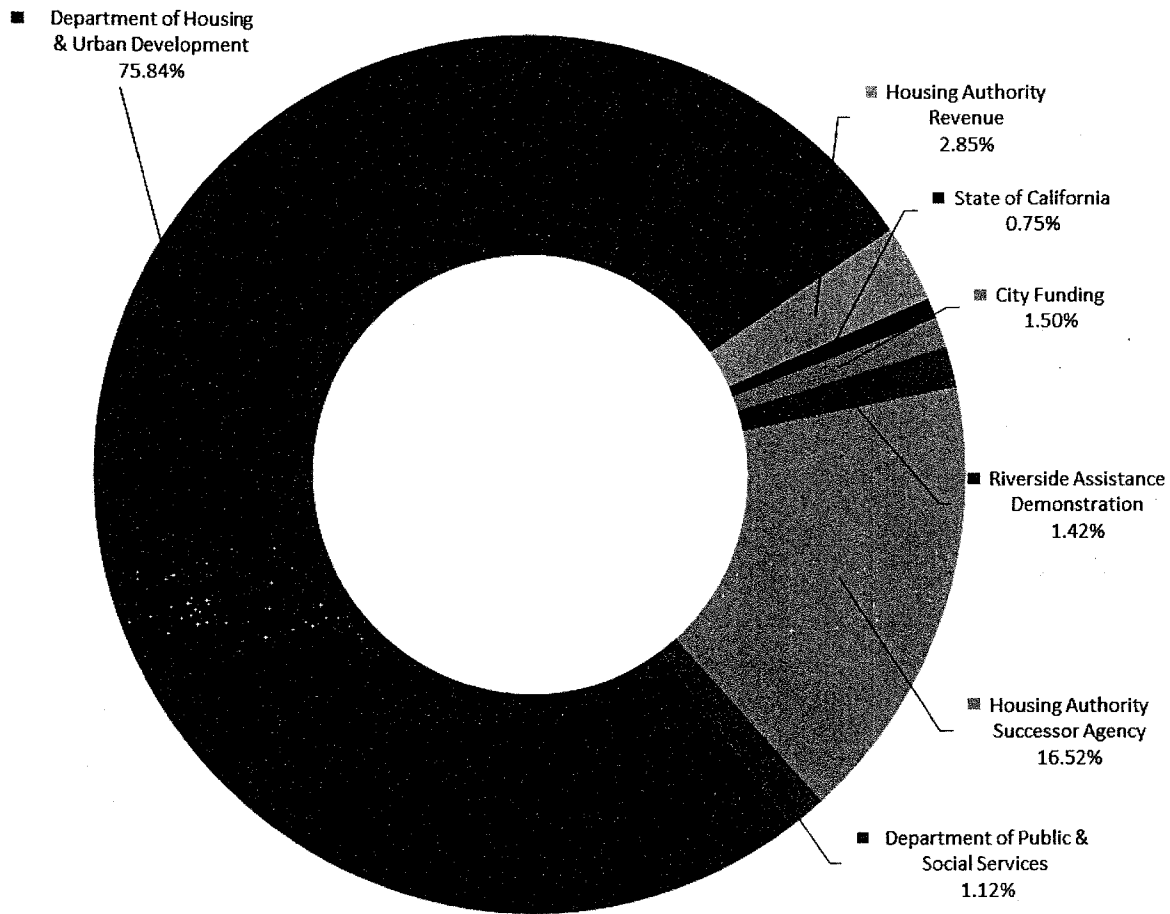
Recommended Budget by Functional Area: All Funds

	Budget in Millions	Percent of Total Budget
Authority	\$ 6.2	5.62%
Section 8	80.6	73.07%
Housing Authority Successor Agency (HASA)/ Coachella Successor Agency (CSA)/Various Grants	19.0	17.23%
Riverside Community Housing Corp	4.5	4.08%
TOTAL	\$ 110.30	100.00%



2017-18 RECOMMENDED BUDGET AT A GLANCE

Recommended Budget By Sources of Funding: All Funds



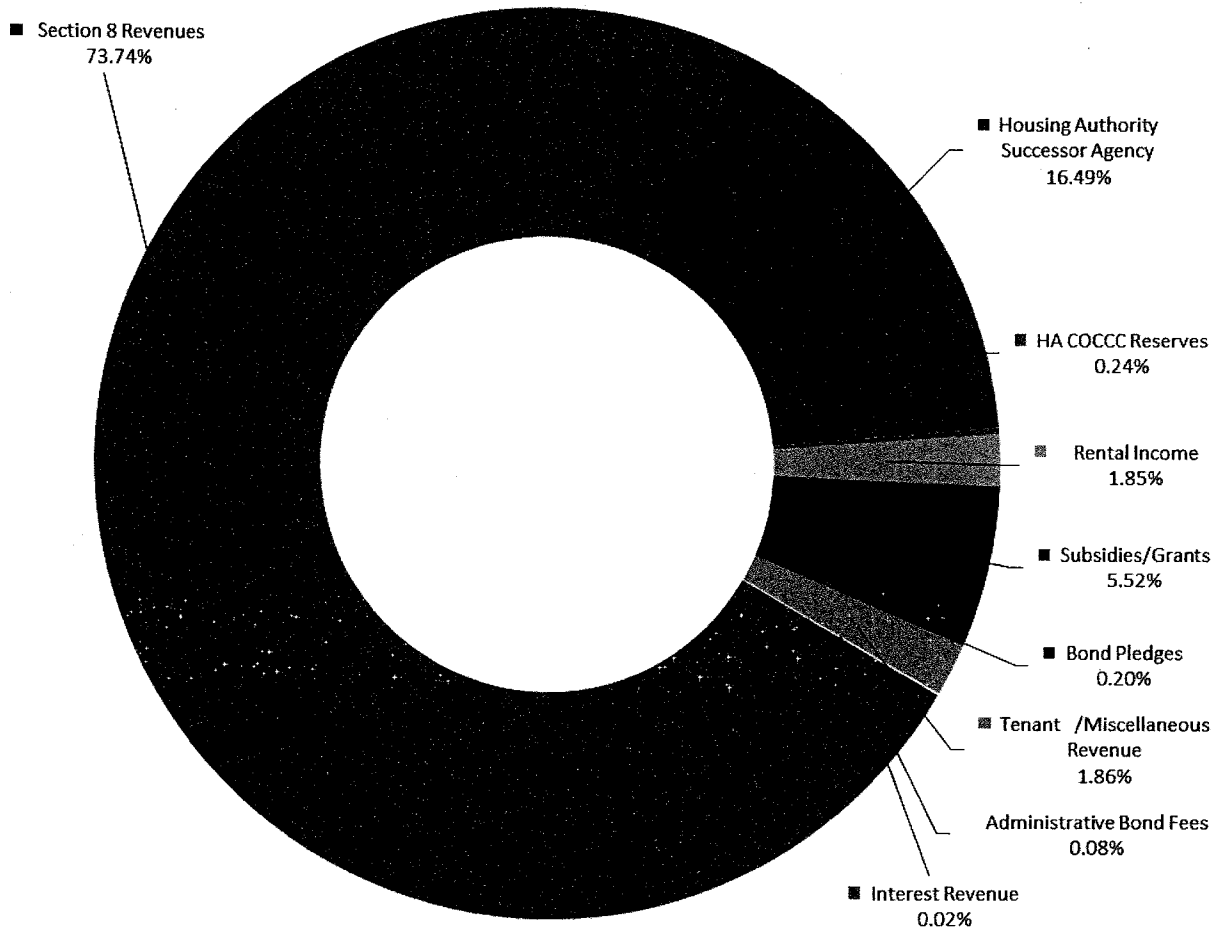
Recommended Budget by Sources of Funding: All Funds

	Budget in Thousands	Percent of Total Budget
Department of Housing & Urban Development	\$ 83,649	75.84%
Housing Authority Revenue	3,142	2.85%
State of California	831	0.75%
Department of Public & Social Services	1,230	1.12%
City Funding	1,658	1.50%
Housing Authority Successor Agency	18,223	16.52%
Rental Assistance Demonstration	1,569	1.42%
TOTAL	\$ 110,302	100.00%



2017-18 RECOMMENDED BUDGET AT A GLANCE

Recommended Budget by Categories of Revenues: All Funds



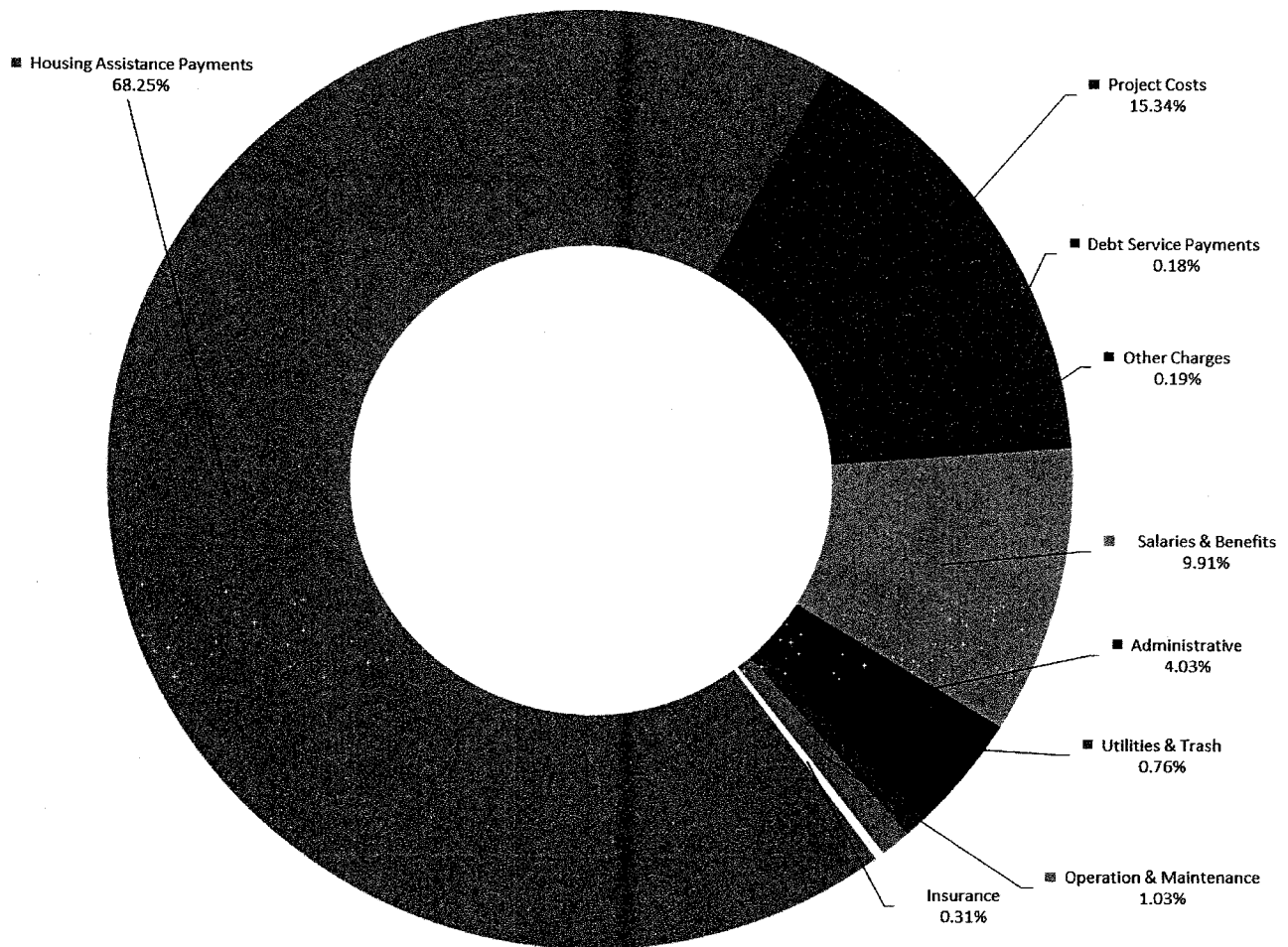
Recommended Budget by Categories of Revenues: All Funds

	Budget in Thousands	Percent of Total Budget
Rental Income	\$ 2,044	1.85%
Subsidies/Grants	6,086	5.52%
Bond Pledges Revenue	218	0.20%
Tenant/Miscellaneous Revenues	2,048	1.86%
Interest Revenue	23	0.02%
Administrative Bond Fees	85	0.08%
Section 8 Revenues	81,351	73.74%
Housing Authority Successor Agency	18,187	16.49%
Housing Authority COCC Reserves	260	0.24%
TOTAL	\$ 110,302	100.00%



2017-18 RECOMMENDED BUDGET AT A GLANCE

Recommended Budget by Categories of Expenditures: All Funds



Recommended Budget by Categories of Expenditures: All Funds

	Budget in Thousands	Percent of Total Budget
Salaries & Benefits	\$ 10,931	9.91%
Administrative Expense	4,441	4.03%
Utilities & Trash	840	0.76%
Operations & Maintenance	1,136	1.03%
Insurance	338	0.31%
Housing Assistance Payments	75,277	68.25%
Project Costs	16,924	15.34%
Debt Service Payments	203	0.18%
Other Charges	212	0.19%
TOTAL	\$ 110,302	100.00%



Budget Comparison

	Budget 13-14	Budget 14-15	Budget 15-16	Budget 16-17	Budget 17-18	% Change [Budget 16-17 to Budget 17-18]
Revenue	\$98,605,965	\$98,534,297	\$96,926,910	\$100,679,820	\$110,290,121	
Reserves	\$887,894	\$208,088	\$855,933	\$147,973	\$11,971	
Total Revenue	\$99,493,859	\$98,742,385	\$97,782,843	\$100,827,793	\$110,302,092	9.40%
Expenses						
Salaries & Benefits	\$8,851,069	\$9,904,282	\$10,979,555	\$10,875,979	\$10,931,269	
Services & Supplies	\$7,495,102	\$7,441,435	\$8,251,267	\$7,163,940	\$6,396,258	
Other Charges	\$83,147,688	\$81,331,668	\$78,487,597	\$82,775,524	\$92,974,566	
Fixed Assets/Purchases	\$0	\$65,000	\$64,424	\$12,350	\$0	
Total Expenses	\$99,493,859	\$98,742,385	\$97,782,843	\$100,827,793	\$110,302,092	9.40%
Net Assets Gain / (Loss)	\$0	\$0	\$0	\$0	\$0	



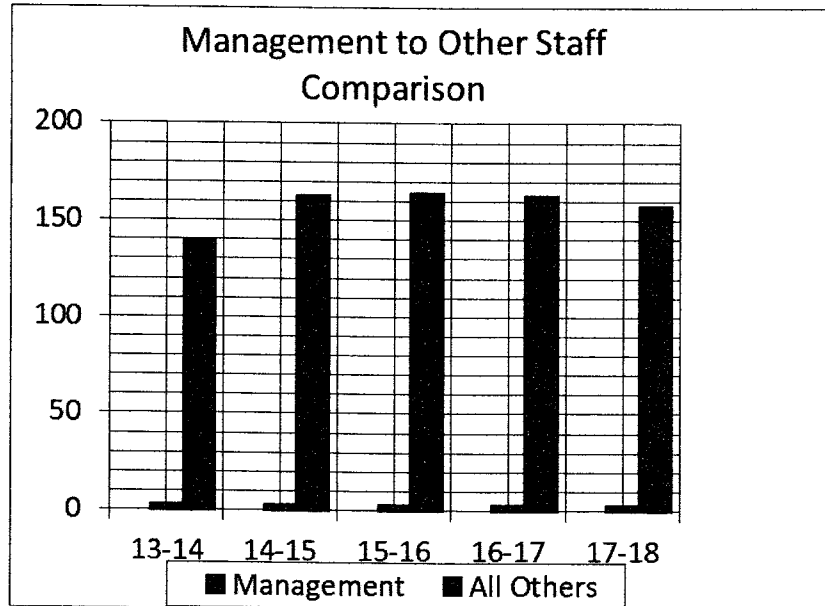
Staff Count

Job Title	Filled and Vacant Positions FY 17-18
Regular Employees:	
Accountant I	2
Accountant II	2
Accounting Technician I	3
Accounting Technician II	5
Administrative Services Supervisor	1
Assistant Director of EDA	1
Building Maintenance Superintendent	1
Building Maintenance Supervisor	2
Building Maintenance Worker	2
Buyer Trainee	1
Buyer I	1
Deputy Director of EDA	1
Development Specialist I	2
Development Specialist II	2
Development Specialist III	3
Fiscal Manager	1
Housing Authority Maintenance Worker	8
Housing Program Assistant I	9
Housing Program Assistant II	2
Housing Specialist I	36
Housing Specialist II	18
Housing Specialist III	11
Office Assistant I	1
Office Assistant II	9
Office Assistant III	3
Principal Accountant	1
Principal Development Specialist	4
PH Property Manager	5
Senior Accountant	2
Senior Development Specialist	11
Supervising Accountant	2
Support Services Technician	1
Total Regular Employees	153
Temporary Assistance Pool (TAP):	
RCHC Coordinator	1
Porter	8
Total TAP	9
Total Filled and Vacant Positions	162



Organization Staffing Statistics

Fiscal Year	13-14	14-15	15-16	16-17	Budget 17-18
Management	3	3	3	4	4
All Others	139	163	164	163	158
Total Budgeted Positions	142	166	167	167	162
Year to Year % Change					
Management	0.0%	0.0%	0.0%	33.3%	0.0%
All Others	2.2%	17.3%	0.6%	-0.6%	-3.1%
Total Budgeted Positions	9.2%	17.3%	0.6%	32.7%	-3.1%
Percent of Total					
Management	2.11%	1.81%	1.80%	2.40%	2.47%
All Others	97.89%	98.19%	98.20%	97.60%	97.53%
Total Budgeted Positions	100.00%	100.00%	100.00%	100.00%	100.00%



AUTHORITY PROGRAMS

Central Office Cost Center (COCC)

As required by the U.S. Department of Housing and Urban Development (HUD), the COCC was established to act as the internal management agent of the agency. The COCC provides management services and receives fee income in return from business activities. Management fees are based on HUD's publication of the 80th percentile of fees paid by the market industry. Per HUD's instructions, the COCC is split into two (2) sections; one for activities supporting the Section 8 Program, and the second for other business activities.

2017-2018 BUDGET			
	COCC #101	COCC #103	Total
REVENUE			
Interest	15,000		15,000
Administrative Bond Fees	1,407,154	380,910	1,788,064
Miscellaneous		119,073	119,073
TOTAL REVENUE	1,422,154	499,983	1,922,137
EXPENSE			
Salaries & Benefits	789,123	464,386	1,253,509
EDA Interfund Salaries	272,410		272,410
Legal		3,000	3,000
Trainig		5,100	5,100
Auditing	500		500
Office Rent/Storage	63,051	21,017	84,068
Administrative Sundry	37,920	6,480	44,400
EDA Interfund Operating	118,618		118,618
Insurance	1,099		1,099
Other General Expenses	139,433		139,433
TOTAL EXPENSE	1,422,154	499,983	1,922,137
NET GAIN (LOSS)	-	-	-

❖ AUTHORITY PROGRAMS

Security Deposit Assistance Program

The HACR was awarded a grant from the Economic Development Agency's HOME Investment Partnerships Act to provide security deposit assistance to very low-income individuals and families that earn no more than 50% of the area median income. The grant is designed to remove the initial barrier that eligible participants encounter as they attempt to find and secure suitable, decent housing to rent.

2017-2018 BUDGET	
REVENUE	
Grant Subsidy	150,000
TOTAL REVENUE	150,000
EXPENSE	
Security Deposit Assistance	150,000
TOTAL EXPENSE	150,000
NET GAIN (LOSS)	0



❖ AUTHORITY PROGRAMS

Administration Building & Services

Expenses related to this fund are apportioned to other programs based on cost allocation percentages derived from the number of units supported and staff time. Reimbursement of costs associated with this Administration building is paid through a rent offset. The budget includes a withdrawal of \$150,000 from cash reserves for anticipated costs for building improvements like roofing, landscaping and extraordinary maintenance on the elevator.

2017-2018 BUDGET	
REVENUE	
Interest	1,300
Rental Income	319,588
Administrion Building Reserves	150,000
TOTAL REVENUE	470,888
EXPENSE	
Building Improvements	150,000
Salaries & Benefits	84,778
Legal	800
Administrative Sundry (IT costs, Office supplies, etc.)	71,977
Utilities	62,000
Operations & Maintenance - Materials	8,800
Operations & Maintenance - Services	68,000
Trash	1,630
Insurance	22,903
TOTAL EXPENSE	470,888
NET GAIN (LOSS)	-



❖ AUTHORITY PROGRAMS

Housing Opportunities for Persons with AIDS (HOPWA)

HUD named the City of Riverside as "Grantee" for having the largest population of any city within the county eligible metropolitan areas (EMA). In 1993, Riverside County became eligible for the HOPWA funds and the HACR agreed to serve as Project Sponsor for the County of Riverside. The HACR utilizes this fund to serve approximately seventy-five (75) participants with short term housing, utilities assistance, and home health care.

2017-2018 BUDGET	
REVENUE	
Grant Subsidy	1,146,583
TOTAL REVENUE	1,146,583
EXPENSE	
Salaries & Benefits	74,502
Legal	500
Auditing	500
Office Rent	4,675
Administrative Sundry (Supplies, Advertisement, Conference Costs, etc.)	74,586
Supportive Services	192,000
Housing Assistance Payments	799,820
TOTAL EXPENSE	1,146,583
NET GAIN (LOSS)	-



❖ AUTHORITY PROGRAMS

HOPWA Homes

The HACR utilized excess HOPWA funds to purchase three (3) homes to assist HOPWA clients with subsidized housing. It is expected that this project will be self-supporting and will accumulate enough reserves for future capital improvements.

2017-2018 BUDGET	
REVENUE	
Rental Income	14,784
TOTAL REVENUE	14,784
EXPENSE	
Home Owner Association Fees	8,250
Operations & Maintenance - Materials	3,267
Operations & Maintenance - Services	3,267
TOTAL EXPENSE	14,784
NET GAIN (LOSS)	-



❖ AUTHORITY PROGRAMS

Resident Opportunity for Self-Sufficiency (ROSS)

The ROSS program is designed to enable participants to increase earned income; reduce or eliminate the need for welfare assistance; progress toward achieving economic independence and housing self-sufficiency; and improve living conditions for the elderly and disabled in order that they may age-in-place. HUD awarded the HACR with a \$246,000 grant for three (3) years to fund one ROSS Coordinator position that would provide program support services to the residents at the Gloria Crossings and Dracaea Apartment. The 3-year contract will end on July 2018. The budget includes the remaining funds at the final contract year.

2017-2018 BUDGET	
REVENUE	
Grant Subsidy	86,000
TOTAL REVENUE	86,000
EXPENSE	
Salaries & Benefits	79,856
Travel	6,000
Administrative Sundry (HR/PR fees)	144
TOTAL EXPENSE	86,000
NET GAIN (LOSS)	-



❖ AUTHORITY PROGRAMS

Continuum of Care

The HACR provides rental assistance to individual and families who are certified by the Department of Mental Health to be chronically homeless and mentally disabled. The HACR has an agreement with the Department of Public Social Services (DPSS) to administer five (5) grants, which are currently serving approximately one hundred sixteen (116) families collectively throughout Riverside County.

2017-2018 BUDGET						
	Shelter				Harrison	
	Plus Care	Street To	EHOP	ECON	House	Total
	Combined	Home				
REVENUE						
Grant Subsidy-Direct Services	47,590	10,777	4,007	41,959	12,850	117,183
Grant Subsidy - Administration	22,121	4,642	1,717	18,403	11,175	58,058
HAP Subsidy	428,306	96,995	36,061	377,633	115,655	1,054,650
TOTAL REVENUE	498,017	112,414	41,785	437,995	139,680	1,229,891
EXPENSE						
Salaries & Benefits	22,121	4,642	1,717	18,403	11,175	58,058
Housing Assistance Payments	428,306	96,995	36,061	377,633	115,655	1,054,650
Housing Assistance - Direct Salaries	47,590	10,777	4,007	41,959	12,850	117,183
TOTAL EXPENSE	498,017	112,414	41,785	437,995	139,680	1,229,891
NET GAIN (LOSS)	-	-	-	-	-	-



❖ AUTHORITY PROGRAMS

Tenant Based Rental Assistance (TBRA)

As a sub-recipient of funds from the Home Investment Partnership Act (HOME) Program, the HACR received a grant to provide housing and supportive services to eligible homeless residents living in encampments for a maximum of eighteen (18) months with the goal of transitioning them to self-sufficiency. The two-year grant ends on June 30, 2017 and the contract will be extended for a few months to exhaust remaining funds.

2017-2018 BUDGET	
REVENUE	
Grant Subsidy	27,504
TOTAL REVENUE	27,504
EXPENSE	
Salaries & Benefits	12,304
Administrative Sundry	2,750
Housing Assistance Payments	12,450
TOTAL EXPENSE	27,504
NET GAIN (LOSS)	-



❖ AUTHORITY PROGRAMS

Business Activities

On January 2012, HUD gave the HACR permission to utilize its Unrestricted Net Assets to purchase, rehabilitate, and lease three (3) homes to FSS participants of the Section 8 Housing Choice Voucher Program. These development activities were accomplished with the mission of preserving affordable homes and stabilizing neighborhoods hardly hit by foreclosures.

2017-2018 BUDGET	
REVENUE	
Rental Income	47,832
TOTAL REVENUE	47,832
EXPENSE	
Salaries & Benefits	32,729
Administrative Sundry	1,268
Operations & Maintenance - Materials	1,500
Operations & Maintenance - Services	1,500
Insurance	3,035
Other General Expense	7,800
TOTAL EXPENSE	47,832
NET GAIN (LOSS)	-



❖ AUTHORITY PROGRAMS

Palm Springs Projects

The HACR owns and operates seventeen (17) affordable units in the City of Palm Springs. Revenue sources are generated from dwelling rent and associated tenant charges.

2017-2018 BUDGET			
	Calle de Carlos Racquet Club		Total
REVENUE			
Rental Income	65,475	51,216	116,691
Miscellaneous	2,800	2,460	5,260
TOTAL REVENUE	68,275	53,676	121,951
EXPENSE			
Salaries & Benefits	40,759	22,738	63,497
Legal	690	690	1,380
Auditing	200	200	400
Office Rent	86	97	183
Administrative Sundry	1,350	790	2,140
Utilities	5,900	5,000	10,900
Operations and Maintenance - Materials	2,850	4,363	7,213
Operations and Maintenance - Services	10,664	15,133	25,797
Trash	2,023	1,783	3,806
Insurance	3,753	2,882	6,635
TOTAL EXPENSE	68,275	53,676	121,951
NET GAIN (LOSS)	-	-	-



❖ AUTHORITY PROGRAMS

Corona Projects

The 1998 Revenue Bond Series A was issued with a note payable for \$4.7 million to the City of Palm Desert, which was secured by HACR's Corona and Palm Springs properties. The City of Corona agreed to pledge \$218,000 annually for the payment of debt service for the term of the bond issue. In August 2001, the Corona properties were sold to satisfy the note payable issued with the 1998 refunding bond issue. The note was satisfied; however, the 1998 bond issue remained.

2017-2018 BUDGET	
REVENUE	
City of Corona Pledge	218,000
TOTAL REVENUE	218,000
EXPENSE	
Other General Expense	14,642
Debt Service Payment - Principal	190,000
Debt Service Payment - Interest	13,358
TOTAL EXPENSE	218,000
NET GAIN (LOSS)	-



❖ AUTHORITY PROGRAMS

Desert Rose Apartments

Financed jointly by the State of California through its Office of Migrant Services of the Department of Housing and Community Development and by the U.S. Government through its Farmer's Home Administration, this farm worker housing project became operational in November 1991. In FY 2005, due to the State of California fiscal budget crisis, the Office of Migrant Services ordered the HACR not to rent the units for the entire fiscal year and took steps to dispose of the buildings. The HACR negotiated to have title and ownership of the buildings and was granted \$3,000,000 from the Joe Serna Junior Farmworker Housing Grant Program of the Department of Housing and Community Development (HCD) and \$3,795,110 from the United States Department of Agriculture to rehabilitate the units and make them available on a year round basis. The HACR also received a total of \$8,500,000 in grant funding from the County's Redevelopment Agency in FY 2009, which prompted the construction to widen some of the units and convert 100 housing units to 77 units. For a number of years, this project has continually been challenged with a low occupancy level, ranging 20% - 30%. A reserve drawdown from the COCC has been necessary to sustain the upkeep of the building and grounds. To aide with lease-up activities, the HACR received approval from HCD to: (1) allow the project to be rented to non-farmworker tenants; (2) allow an increase in the maximum income limit to 120% of the area median income (AMI); and (3) allow the waiver of the requirement to keep a minimum number of persons in the household.

2017-2018 BUDGET	
REVENUE	
Rental Income	113,844
COCC reserves	109,743
TOTAL REVENUE	223,587
EXPENSE	
Salaries & Benefits	14,146
Legal	285
Auditing	1,000
Administrative Sundry	9,772
Utilities	52,500
Operations & Maintenance - Materials	10,331
Operations & Maintenance - Services	85,403
Trash	10,140
Insurance	40,010
TOTAL EXPENSE	223,587
NET GAIN (LOSS)	-



❖ AUTHORITY PROGRAMS

Cal WORKS

The HACR submitted an application for funding from the California Department of Social Services (CDSS) to implement the State-funded Cal WORKS Housing Support Program that would help homeless families secure permanent housing by removing barriers. Funding is passed through the Riverside County Department of Social Services (DPSS) and funds will be expended within twelve (12) months.

2017-2018 BUDGET	
REVENUE	
Grant Subsidy	775,000
TOTAL REVENUE	775,000
EXPENSE	
Salaries & Benefits	131,000
Housing Direct Services	269,980
Travel	1,000
Administrative Sundry (Postage, etc.)	500
Housing Assistance Payments	372,520
TOTAL EXPENSE	775,000
NET GAIN (LOSS)	-



❖ AUTHORITY PROGRAMS

Supportive Services for Veteran Families (SSVF)

The HACR was awarded a grant through the Veterans Administration's (VA) SSVF Program, of which the U.S. Veteran's Initiative (U.S. Vets) is the lead agency and grantee. This program is designed to promote housing stability among very low-income veteran families who reside in or are transitioning to permanent housing. The HACR will provide participants with outreach, case management, and assistance in obtaining VA and other benefits.

2017-2018 BUDGET	
REVENUE	
Grant Subsidy	56,228
TOTAL REVENUE	56,228
EXPENSE	
Salaries & Benefits	49,215
Administrative Sundry (Postage, Supplies, Payroll Fees, etc.)	7,013
TOTAL EXPENSE	56,228
NET GAIN (LOSS)	-



SECTION 8 PROGRAMS

Housing Choice Voucher Program

The Housing Choice Voucher Program assists lower income households with rental assistance to provide an opportunity to live in affordable, decent, safe and sanitary housing.

As mandated by Federal regulations, families, elderly, and disabled persons earning 50% of median income or less are eligible to participate in the program. However, at least 75% of families drawn from the waiting list must earn no more than 30% of median income. Tenants receiving assistance under the voucher program will pay between 30% – 40% of their income toward rent and utilities, with HUD (through the HACR) providing the subsidy for the difference between that amount and the rent plus utilities. Utilizing these criteria, staff certifies applicant eligibility, issues vouchers, negotiates leases, prepares contracts and inspects dwelling units for housing quality standards established by the Federal government. Additionally, staff manages rental assistance contracts by processing tenant relocations and ports, terminations, and annual re-certification of eligibility. Staff also provides tenant-landlord mediation services for Section 8 Program participants. For Calendar Year 2017, HUD awarded the HACR \$72 million to assist 9,576 families per month, which includes 589 vouchers set aside for the Veterans Affairs Supportive Housing (VASH) Program.

Veterans Affairs Supportive Housing (VASH)

This program offers rental assistance for homeless Veterans with case management and clinical services through the Department of Veterans Affairs (VA). HUD allocates vouchers by analyzing point-in-time data provided by the Continuums of Care (CoCs), VAMC data on the number of contacts with homeless Veterans, and performance data from Housing Authorities.

Mainstream 5 Program for Persons with Disabilities

Mainstream Program provides Section 8 rental vouchers to persons with disabilities. The HACR works in cooperation with local organizations that provide referral and support services to disabled persons in order to help disabled clients locate affordable and accessible housing. The HACR currently has the budget authority for thirty-eight (38) vouchers under this Program.



❖ SECTION 8 PROGRAMS

Moderate Rehabilitation Rental Assistance Program

This HUD-program was designed to preserve existing rental housing stock. Each fiscal year, HACR is required to base the renewal at rent levels equal to the lesser of: 1) Existing contract rents, adjusted by the Operating Cost Adjustment Factor (2.3% for California); or 2) Existing Fair Market rents (at 120%) less any amounts allowed for tenant supplied utilities; or 3) Comparable market rents for the market area. A landlord will enter into a fifteen (15) year contract with the HACR, which guarantees Section 8 rental assistance to qualified tenants. HUD has continued to renew the HACR's contracts beyond the initial term date but has not issued any new contracts. Currently, the HACR assists (80) households located in Riverside.

Family Self-Sufficiency (FSS) Program

The Family Self-Sufficiency (FSS) Program was established to assist families to become economically independent from governmental financial assistance within a five-year period. Over the five-year period, as family income grows, the corresponding amount to rent increase is deposited into an escrow account to purchase a home, pay for higher education, or even start a business. The FSS Program is available to those families assisted under the HUD Section 8 Program. Through the FSS Program, the HACR has established a network with public agencies to provide job training, family counseling, career assessments and other social services. The funding for FY2017-2018 will pay for 7 resident coordinator positions. As of April 2017, there were three hundred sixty five (365) FSS participants throughout the County of Riverside.

Rental Assistance Demonstration (RAD) Program

HUD obligated funds to provide assistance for families affected by the RAD conversion. The Consolidated and Further Continuing Appropriations Act of 2012 authorized the RAD Program to help preserve HUD's public and assisted housing. This movement is a central part of the Department's rental housing preservation strategy to preserve the nation's stock of affordable rental housing, promote efficiency within and among HUD guidelines and build strong, stable communities.



❖ SECTION 8 PROGRAMS

2017-2018 BUDGET					
	HCV/Mainstream/ VASH	Moderate Rehabilitation	FSS	RAD	Total
REVENUE					
FSS Forfeitures	300,000				300,000
Fraud Recovery - HAP	12,600				12,600
Fraud Recovery - Admin	12,600				12,600
Interest	6,400				6,400
Subsidy: Housing Assistance Payments	69,572,784	618,816		2,126,604	72,318,204
Subsidy: Administration	7,028,156	92,010		375,239	7,495,405
Other Subsidy			483,000		483,000
TOTAL REVENUE	76,932,540	710,826	483,000	2,501,843	80,628,209
EXPENSE					
Salaries & Benefits	4,520,110	63,541	472,290	117,384	5,173,325
Worker's Compensation	103,100	871	10,710		114,681
Legal	24,750	250			25,000
Training	2,500				2,500
Travel	2,270				2,270
Auditing	30,688	310			30,998
Office Rent/Storage	285,559	2,884			288,443
Administrative Sundry	2,280,334	23,854			2,304,188
Operations & Maintenance- Materials	14,850	150			15,000
Operations & Maintenance- Services	9,900	100			10,000
Insurance	4,950	50			5,000
Other General Expense	19,600				19,600
Housing Assistance Payments	69,891,784	618,816		2,126,604	72,637,204
TOTAL EXPENSE	77,190,395	710,826	483,000	2,243,988	80,628,209
Fund transfer	257,855			(257,855)	
NET GAIN (LOSS)					



VARIOUS GRANTS

The HACR administers housing programs to foster homeownership opportunities that ultimately create viable and sustainable communities that enhance the quality of life for Riverside County residents. In meeting its mission, the HACR partners with the Economic Development Agency, which is the recipient of the funds, by providing staffing resources for the following grant programs:

Neighborhood Stabilization Program (NSP)

The Neighborhood Stabilization Program (NSP) was established by HUD for the purpose of stabilizing communities that have suffered from foreclosures and abandonment. NSP 1 funds were authorized under Division B, Title III of the Housing And Recovery Act (HERA) of 2008, which provided a formula grant to local governments. NSP 3 funds were authorized under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) of 2010 that provided a third round of the NSP formula grant to selected states and governments.

HOME Investment Partnerships Program

The HOME Investment Partnerships Program provides a formula grant to fund a wide range of homeownership and rental assistance activities. The HACR meets this mission through its First Time Homebuyer Program by providing down payment assistance to lower income persons in the purchase of their first home. The HACR also helps individual households afford housing costs such as rent, utility costs, security deposits, and/or utility deposits by offering rental assistance programs, self-sufficiency programs, homebuyer programs, targeted population programs, anti-displacement assistance programs, and security deposit programs.



❖ VARIOUS GRANTS

2017-2018 BUDGET							
	NSP 1 Direct Salaries	NSP 1 Admin	NSP 3 Direct Salaries	NSP 3 Admin	HOME Project Delivery	HOME Admin	Total
REVENUE							
Grant Subsidy	142,468	191,449	61,545	163,732	75,539	81,021	715,754
Miscellaneous		9,200		7,100		8,000	24,300
TOTAL REVENUE	142,468	200,649	61,545	170,832	75,539	89,021	740,054
EXPENSE							
Salaries & Benefits	142,468	191,449	61,545	163,732	75,539	81,021	715,754
Office Rent/Storage		9,200		7,100		7,500	23,800
Administrative Sundry						500	500
TOTAL EXPENSE	142,468	200,649	61,545	170,832	75,539	89,021	740,054
NET GAIN (LOSS)							



HOUSING AUTHORITY SUCCESSOR AGENCY (HASA)

On June 29, 2011, Governor Brown signed two State of CA Assembly Bills, ABX126 and ABX1 27, which would dissolve redevelopment agencies (RDAs) throughout the state of California, and create an alternative voluntary redevelopment program to allow agencies to continue redevelopment activity by voluntarily making a payment to the state. On November 10, 2011, the California Supreme Court announced its decision to uphold ABX1 26 and strike down ABX1 27, thus eliminating RDAs. On January 10, 2012, the HACR's Board of Commissioners (BOC) accepted the responsibility for performing all activities as the successor to the redevelopment housing function. On February 1, 2012, all California RDAs were eliminated and HACR assumed all the housing functions previously performed by the RDA for the County of Riverside.

On July 3, 2012, per Board Resolution 2012-006, the BOC authorized the HACR to accept any and all assets, liabilities, duties, loans, leases, and obligations associated with the housing activities of the former RDA.

On July 17, 2012, a Low and Moderate Income Housing Asset Fund (LMIHAF) was established to manage the disbursements and cash receipts for the HASA. This fund is used to pay for administrative and operational costs to develop the assets; maintain loan and grant portfolios; and manage the leases, rental housing properties, and homeownership units.

Other revenue sources include rental receipts from different Mobile Home Parks managed by the HASA; a lease payment for agricultural land; monitoring fees; and various loan payments.

All projects listed on the Recognized Obligation Payment Schedule (ROPS) approved by the CA Department of Finance will be supported by bond proceeds.



❖ HOUSING AUTHORITY SUCCESSOR AGENCY (HASA)

2017-2018 BUDGET			
	LMIAHF	ROPS	Total
REVENUE			
Rental Income	2,453		2,453
Loan Payments	44,092		44,092
Miscellaneous (Monitoring Fees/TEFRA Hearings)	22,918		22,918
Bond Proceeds		15,015,210	15,015,210
Cash Reserves	1,600,000		1,600,000
TOTAL REVENUE	1,669,463	15,015,210	16,684,673
EXPENSE			
Salaries & Benefits	253,265	308,199	561,464
Legal	70,000	191,397	261,397
Training	6,000		6,000
Travel	5,000		5,000
Auditing	10,333		10,333
Professional Services	900		900
Office Rent	46,934		46,934
Administrative Sundry	136,350		136,350
Contracts-Landscape/Weed Abatement	35,000		35,000
Insurance	5,906		5,906
General Expense	5,000		5,000
Project Cost	1,094,775	14,515,614	15,610,389
TOTAL EXPENSE	1,669,463	15,015,210	16,684,673
NET GAIN (LOSS)			



❖ HOUSING AUTHORITY SUCCESSOR AGENCY (HASA)

VILLA DE JOSUE MOBILE HOME PARK

Due to the dissolution of the Riverside County's Redevelopment Agency, the HASA was given the task of managing and maintaining nine (9) mobile homes in approximately 1.95 acres of real property located in Thermal. This project has provided affordable housing to low and very low income households for over ten (10) years. The administrative expenses will be covered by rental receipts.

2017-2018 BUDGET	
REVENUE	
Rental Income	32,400
Misellaneous Tenant Charges	1,200
TOTAL REVENUE	33,600
EXPENSE	
Salaries & Benefits	8,485
Administrative Sundry	1,600
Utilities	700
Operations & Maintenance - Materials	5,932
Opeartions & Maintenance - Services	14,783
Trash	2,100
TOTAL EXPENSE	33,600
NET GAIN (LOSS)	0



COACHELLA SUCCESSOR AGENCY (CSA)

On June 4, 2013, the HACR's Board of Commissioners accepted, via a Memorandum of Understanding, the responsibilities for performing all activities as the successor to the redevelopment housing functions for the former Coachella Redevelopment Agency. On February 19, 2014, Governor Brown signed AB 471, which provides an administrative cost allowance for all qualified housing successor agencies that assumed the housing functions of dissolved redevelopment agencies. Hence, the allowance of \$150,000 will cover any administrative costs associated with disbursing bond proceeds for housing development activities identified in the Recognized Obligation Payment Schedule (ROPS), approved by the Oversight Board and the State of California Department of Finance.

The City of Coachella (City) transferred to the HACR all bond proceeds related to wind down activities identified in the Recognized Obligation Payment Schedule (ROPS) approved by the CA Department of Finance. While HACR will be responsible for drawing down the bond funds for development activities, the City will continue the tasks of paying the debt service and reporting on continuing disclosures.

2017-2018 BUDGET			
	Administrative Fund	Bond Fund	Total
REVENUE			
Cash Reserves	28,652		28,652
AB 471 Administrative Revenue	150,000		150,000
Bond Proceeds		1,325,752	1,325,752
TOTAL REVENUE	178,652	1,325,752	1,504,404
EXPENSE			
Salaries & Benefits	138,587		138,587
Legal	2,000	10,429	12,429
Training	500		500
Travel	200		200
Auditing	200		200
Office Rent	10,165		10,165
Administrative Sundry	5,000		5,000
Site Maintenance		1,945	1,945
Other General Expense	22,000		22,000
Project Cost		1,313,378	1,313,378
TOTAL EXPENSE	178,652	1,325,752	1,504,404
NET GAIN (LOSS)			



RIVERSIDE COMMUNITY HOUSING CORP. (RCHC)

On January 7, 1992, the HACR's Board of Commissioners adopted a resolution that authorized the creation of the RCHC. The RCHC was established as an affiliate and blended component unit of the HACR for the purpose of financing, acquiring, developing, rehabilitating, owning, managing, and selling affordable housing in Riverside County for persons of extremely low, low and moderate income, and to access certain state and federal programs available to non-profit corporations. RCHC was inactive subsequent to its incorporation in 1992. On July 1, 2014 the HACR's Board of Commissioners adopted another resolution to authorize the activation of RCHC and commencement of its corporate operations.

RCHC applied for the Economic Development Agency's (EDA) Emergency Solutions Grant (ESG) Program that aims to provide housing relocation and stabilization services including housing search and placement; landlord mediation; security and/or utility deposits; the provision of short-term or medium-term rental assistance and utility payments; and housing case management.

RCHC also applied for EDA's Community Development Block Grant (CDBG) to fulfill the goals of ensuring decent affordable housing and providing supportive services to the most vulnerable in our communities.

The Southern California Gas Company donated \$1,000 to RCHC as part of the SoCalGas 2014 Education Initiative to support local Youth Employment Services.

In Fiscal 2017, the RCHC received 469 units of affordable housing that were transferred from the HACR through HUD's Rental Assistance Demonstration (RAD) Program. RAD is a voluntary program of HUD, which seeks to preserve public housing by providing Public Housing Agencies with access to more stable funding to make needed improvements to properties. The first component of the RAD program, Project-Based Vouchers (PBVs) allows projects funded under the Public Housing Program to convert their assistance to long-term, project-based Section 8 rental assistance contracts, which will pass through the HACR. HUD considers RAD to be a central part of its rental housing preservation strategy to stimulate efficiency, and build resilient, steady communities. After receiving HUD's approval for Commitments for Entering into a Housing Assistance Payment (CHAPs), the HACR submitted its Financial Plan, and completed all requirements to receive HUD's final approval through RAD Conversion Commitments (RCCs).

In September 2016, RCHC entered into an assignment and assumption agreement with Rancho Housing Alliance, Inc. to accept all rights and obligations regarding thirty four (34) housing units in the Cities of Desert Hot Springs and Cathedral City and one (1) foreclosed single family rental home in the City of Blythe. RCHC was identified as a qualified entity capable of managing these properties for the duration of the required 55 year affordability period. Funds from the Economic Development Agency's Neighborhood Stabilization Program (NSP) were loaned to



❖ RIVERSIDE COMMUNITY HOUSING CORP. (RCHC)

RCHC to fulfill obligations for acquisition and rehabilitation of these properties. RCHC contracted with Riverside Housing Development Corporation (RHDC) to handle property management.

2017-2018 BUDGET						
	ESG	CDBG	The Gas Co. Education Initiative	RAD	NSP Properties	Total
REVENUE						
Rental Income				1,466,355	250,271	1,716,626
RAD Income				2,373,701		2,373,701
Grant Subsidy	214,892	63,600	1,000			279,492
Interest					54	54
Miscellaneous				93,282	5,384	98,666
TOTAL REVENUE	214,892	63,600	1,000	3,933,338	255,709	4,468,539
EXPENSE						
Property Management Fee					72,588	72,588
Asset Management Fee				359,136		359,136
Salaries & Benefits	21,489	6,360		867,846		895,695
Legal				71,497	3,200	74,697
Training				5,000		5,000
Auditing				5,000		5,000
Office Rent/Storage				6,444		6,444
Administrative Sundry				165,778	6,715	172,493
Utilities				500,908	17,323	518,231
Tenant Services			1,000			1,000
Maintenance Salaries & Benefits				737,522		737,522
Operations & Maintenance- Materials				236,092	6,350	242,442
Operations & Maintenance- Services				390,646	54,903	445,549
Trash				171,530	6,626	178,156
Insurance				253,625		253,625
Other General Expense				329	2,217	2,546
Housing Assistance Payments	193,403	57,240				250,643
TOTAL EXPENSE	214,892	63,600	1,000	3,771,353	169,922	4,220,767
Capital Reserves				121,489	10,500	131,989
Operation Reserves				40,496	75,287	115,783
NET GAIN (LOSS)						



Cost Allocations

COST ALLOCATIONS OF THE HOUSING AUTHORITY (HACR)

The formulas and methodology adopted by the HACR present sensible accounts of how direct and indirect costs are allocated to different funding sources. Budgetary allocations for each program may change during the fiscal cycle depending on funding availability and changes in expense categories.

The basis of allocation was formed by the following conditions:

1. All allowable costs that can be charged directly to the funding stream are identified in the appropriate budgetary line.
2. Allowable costs that are identified as benefiting more than one program are prorated based on the benefits derived from the activities that the costs are attributed to.
3. All other general costs that cannot be identified to a specific program are allocated using a base that results in the most reasonable and equitable distribution.

Cost methodologies:

1. Compensation for Personnel Services: Supported by timesheets, salaries for all employees are charged directly to the program for which work has been done. If an employee works on two or more programs, his/her total salaries and benefits are allocated between affected programs in the ratio of time worked.
2. Rent: Costs of maintaining the Administrative Building (i.e. utilities and trash; maintenance and repair; custodial; office supplies and general expenses; and materials and services) are captured and shared based on the square footage for the programs whose funding sources allow for rental expenses, which include:
 - a. Section 8 Program
 - b. Rental Assistance Demonstration Program
 - c. Central Office Cost Center
 - d. Housing Successor Agency
 - e. Grant Programs: HOPWA and CDBG
 - f. RCHC
3. Utilities: Other utility costs not related to the Administrative Building are directly charged to the programs that benefit from them, including public housing sites, bond units, and the senior center.
4. Telephone: Communication costs not related to the Administrative Building are charged directly to the particular program where applicable.
5. Maintenance and Repair: Charges for maintenance and repair are charged directly to the program that incurs such cost.
6. Equipment Purchase: Equipment, which includes tangible, nonexpendable property having a useful life of more than one year and an acquisition cost of \$5,000 or more, are charged directly to the program that incurs such cost.
7. Office Supplies: These costs are charged directly to the individual programs that incur the expenses.



8. Consultants, Professional Services, Legal Expenses: These costs are charged directly to the programs that incur the expenses.
9. Audit Costs: These services are allocated based upon the current budgeted expenses of the programs that allow such expenses, which include:
 - a. Central Office Cost Center
 - b. Housing Successor Agency
 - c. Section 8 Program
 - d. Rental Assistance Demonstration (RAD) Program
 - e. Grant Programs (per contract)
 - f. Bond-Funded and other Affordable Housing Projects
10. Insurance Cost: Premiums are paid directly by the programs based on their proportionate share of premium commensurate with operational exposure and property values as determined by the County of Riverside's Risk Management Department. Claims are charged directly to the program that incurred the loss.
11. Information Technology: Information system expenses are allocated based on the number of workstations assigned to employees for each program that allow such expenses.
12. Management Fees and Bookkeeping Fees: The Department of Housing and Urban Development (HUD) issued formal guidance identifying asset management activities, and granted the right for a Public Housing Authority's Central Office Cost Center to establish and charge administrative work to other programs based on The Financial Management Division's 80th percentile management fees limit. As such, HACR's property management fee cap of \$75.81 for Calendar Year 2015 is based on the Los Angeles Field Office's threshold.

The Section 8 Program's management fee is the higher of either 20% of annual administrative fee or \$12 per unit month cost based on number of vouchers leased.

The maximum bookkeeping fee allowable by HUD is \$7.50 based on the number of leased units.



COUNTY-WIDE COST ALLOCATION PLAN (COWCAP) for FY 2016-2017

The COWCAP identifies and distributes the costs of services provided by support/centralized departments (such as ACO, Treasury, EO, etc.) to county departments. This plan is approved by the State Controller's Office.

This can be found in http://www.sco.ca.gov/Files-ARD-Local/ccap_apv_fy1617_33.pdf

COST ALLOCATION PLAN OF EDA for FY 2017-2018

This plan distributes costs allocated to the Economic Development Agency (EDA), which includes COWCAP, the administrative or other joint costs incurred within a performing department, along with other work performed within the department to specific funding sources. The plan has been approved by the Assistant Director of EDA, who is acting as Chief Financial Officer.

The file can be accessed at the following link:

[http://sharepoint.rivcoeda.org/HACR/Shared%20Documents/EDA%20Cost%20Allocation%20Plan%20FY 2017-2018.pdf](http://sharepoint.rivcoeda.org/HACR/Shared%20Documents/EDA%20Cost%20Allocation%20Plan%20FY%202017-2018.pdf)



PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 12/31/2012)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority of the County of Riverside PHA Code: CA027

PHA Fiscal Year Beginning: July 1, 2017 Board Resolution Number: 2017-006

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):


- | | <u>DATE</u> |
|--|-------------|
| <input checked="" type="checkbox"/> Operating Budget approved by Board resolution on: (for all projects) | 6/20/2017 |
| <input type="checkbox"/> Operating Budget submitted to HUD, if applicable, on: | _____ |
| <input type="checkbox"/> Operating Budget revision approved by Board resolution on: | _____ |
| <input type="checkbox"/> Operating Budget revision submitted to HUD, if applicable, on: | _____ |

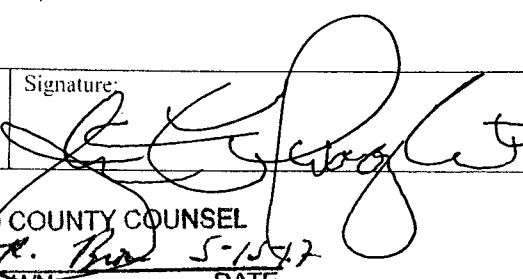
I certify on behalf of the above-named PHA that:

- All statutory and regulatory requirements have been met;
- The PHA has sufficient operating reserves to meet the working capital needs of its developments;
- Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
- The budget indicates a source of funds adequate to cover all proposed expenditures;
- The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
- The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

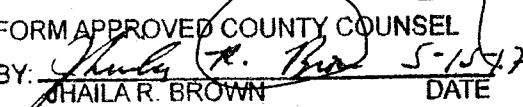
I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

ATTEST:
 KECIA HARPER-HEM, Clerk
 By: 
 DEPUTY

Print Board Chairperson's Name: John F. Tavaglione	Signature: 	Date: 6/20/17
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Previous editions are obsolete

FORM APPROVED COUNTY COUNSEL
BY: 
SHAILA R. BROWN DATE: 5-15-17

form HUD-52574 (08/2005)

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