



**U.S. Department of Housing  
and Urban Development**  
Milwaukee Field Office  
Suite W950  
310 West Wisconsin Avenue  
Milwaukee, WI 53203-2289  
<http://www.hud.gov/local/mil/>

December 21, 2023

SENT VIA EMAIL

Willie Hines, Jr. - Executive Director  
Housing Authority of the City of Milwaukee  
809 Broadway  
Milwaukee, WI 53202

RE: HCVCM-9 2024 HCV Operating Budget Approval

Dear Mr. Hines,

As part of the HACM HCV Corrective Action Plan (CAP) based on HUD's HCV On-Site Monitoring Review Report dated December 28, 2022, HACM was to submit a proposed 2024 HCV Operating Budget to address Finding HCVCM-9. Annually, public housing authorities are to submit their HCV Operating Budgets for review and approval by HUD. This has not historically been submitted to our office. The corrective action for Finding HCVCM-9 from the HUD's HCV Onsite Monitoring Report dated December 28, 2022, reads as follows:

- HACM must submit its proposed 2023 RAP budget for the HCV program to HUD for approval. The RAP and Finance leadership should work collaboratively to develop a budget based upon HUD's annual funding letters. The budget developed should make a reasonable estimate of administrative fees earned and seek to operate within those constraints. The budget should include both HAP and administrative income and expenses. The budget should acknowledge the \$1.3 million deficit in HACM's UNP. Should HACM supplement the UNP deficit with outside funds, it should disclose the non-federal sources of administrative funding in the program budget. HACM must submit year-to-date budgets with year-to-date differences and notes explaining those differences to our office quarterly until the UNP maintains a positive cash position. This financial report must also be given to the Board of Commissioners on a quarterly basis.

This letter seeks only to address the proposed 2024 HCV Operating Budget and our office is separately addressing the quarterly year-to-date budgets with year-to-date differences.

On September 27, 2023, our office presented a recommended framework for HACM to use to develop their proposed 2024 HCV Operating Budget. This presentation included a HUD-generated reasonable estimate of administrative fee revenue based upon a three-year review of HACM's administrative fee revenue and units months leased. This was a conservative approach based on past performance and future challenges. Out of this analysis we requested HACM develop budget with the HUD-generated topline administrative fee revenue of \$3,920,325, which was based on an average of 5,786 units months leased and an estimated Column A rate of \$75.06 and Column B rate of \$70.06. The Column A and Column B rates were based on an estimated 80% proration for 2024. We also requested HACM consider accruing their management fee until such time as HACM has sufficient funds to pay the fee. HACM indicated that it was already accruing their management fee.

On November 15, 2023, HACM submitted a proposed 2024 HCV Operating Budget (operating budget) along with a narrative entitled, “Work Plan and Operating Budget: 2024-2025” (work plan) for our review and approval. We responded on December 11, 2023 with the revisions HACM needed to before our office could approve the operating budget.

On December 15, 2023, HACM submitted a revised budget. **Our office approves the 2024 HCV Operating Budget. Any revisions or amendments to the 2024 HCV Operating Budget must be approved by our office.**

If you have questions or concerns, please contact Portfolio Management Specialist Diana “Dee” Schultz at (414) 935-6727 or [diana.l.schultz@hud.gov](mailto:diana.l.schultz@hud.gov).

Sincerely,

12/21/2023

X Shirley Wong

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Shirley Wong  
Director  
Signed by: Office of Administration

Shirley Wong, Director  
Office of Public Housing  
Wisconsin, 5IPH

Attachments:

2024 AP Budget with Additional Scenario Analysis\_12-15-23.xlsx  
WI002 – 11.29.2023 2YT.xlsm

cc:

Sherri Daniels, Board Chairperson and Resident Commissioner  
[sherri.daniels@hacm.org](mailto:sherri.daniels@hacm.org)

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Date	12/20/2023	12/20/2023	12/20/2023			