

Housing Authority of the City of Milwaukee
Section 8 Rent Assistance Program
FY 2024 -Summary

	Proposed HUD Budget 2024 Baseline Admin Income	HACM Projection Budget 2024	HACM Projection - Sweet Spot Assumes 86% lease up and 85% funding	Actual 2023 Annulized
ACC Units	7,714	7,823	7,823	7823
Average Lease up	75%	86%	86%	75%
Funding Level - HAP	100%	100%	100%	100%
Funding Level - Admin	80%	80%	85%	95%
OPERATING REVENUE				
HAP INCOME				
Initial BA Funding-net offset	39,535,091	39,535,091	39,535,091	39,897,571
HUD Held Reserve	9,595,365	9,595,365	9,595,365	11,034,009
Fraud Recovery Retained	11,378	11,378	11,378	5,967
HAP Disbursements	41,655,600	47,827,393	47,827,393	41,342,183
EXCESS (DEFICIENCY) FUNDING - HUD Held Reserve	7,486,234	1,314,441	1,314,441	9,595,364
NET RESTRICTED POSITION (RNP) -BEG. Per GL	(2,860,828)	(2,860,828)	(2,860,828)	(2,860,828)
PROJECTED RNP - END Including HUD Held Reserve	4,625,407	(1,546,387)	(1,546,387)	6,734,536
ADMINISTRATIVE INCOME				
Administrative Fee Income	3,920,325	4,558,375	4,843,274	5,361,765
Other income	11,378	11,378	11,378	15,171
Total Admin Income	3,931,703	4,569,753	4,854,652	5,054,425
ADMINISTRATIVE				
Administrative salaries	2,336,150	2,336,150	2,336,150	2,026,450
Employee Bens. - Admin.	1,212,837	1,212,837	1,212,837	600,462
Travel and Training	50,000	50,000	50,000	43,171
Management Fee	0	0	0	0
Telephone	20,000	20,000	20,000	19,530
Postage	40,000	40,000	40,000	44,976
Temp Services	228,800	228,800	228,800	328,206
Contract service	977,000	977,000	977,000	524,965
Auditing Fees	25,000	25,000	25,000	12,515
Sundry	230,232	230,232	230,232	309,480
Office supplies	30,000	30,000	30,000	47,798
Printing and reproduction	10,000	10,000	10,000	2,058
Total ADMINISTRATIVE	5,160,019	5,160,019	5,160,019	3,959,611
ORDINARY MAINTENANCE & OPERATIONS				
Maintenance Materials	4,000	4,000	4,000	2,284
Maintenance Contracts	2,500	2,500	2,500	0
Total ORDINARY MAINTENANCE & OPERATIONS	6,500	6,500	6,500	2,284
GENERAL				
Insurance	149,617	149,617	149,617	192,874
Portability Administrative Fees	23,000	23,000	23,000	23,627
Total GENERAL	172,617	172,617	172,617	216,502
Total Operating Expenses	5,339,135	5,339,135	5,339,135	4,185,347
Net Income (Loss) from Operations	(1,407,433)	(769,382)	(484,484)	869,079
NET UNRESTRICTED NET POSITION (UNP) -BEG.	493,824	493,824	493,824	(375,254)
PROJECTED UNP	(913,608)	(275,558)	9,341	493,824
Fund transfers from Non-federal program*	913,608	275,558		
PROJECTED UNP - END	0	0		
*Non Federal proram sources are the excess cashflow and reserves of HACM's unsubsidized rental development (aka.. Northlawn, Southlawn, Berryland projects)				
SUNDRY				
419000 - Sundry	8,000	8,000	8,000	0
419003 - Equipment repair	2,000	2,000	2,000	9,115
419005 - Advertising	1,000	1,000	1,000	0
419011 - Membership dues	0	0	0	241
419020 - Outside legal expense	10,000	10,000	10,000	10,379
419021 - Computer supplies and service	20,000	20,000	20,000	54,700
419101 - Hardware Maintenance	0	0	0	0
419103 - Software	189,232	189,232	189,232	235,046
TOTAL SUNDRY	230,232	230,232	230,232	309,480
MAINTENANCE SUPPLIES				
442007 - Janitorial supplies	4,000	4,000	4,000	2,284
442013 - Furniture	0	0	0	0
442014 - Uniforms	0	0	0	0
TOTAL MAINTENANCE SUPPLIES	4,000	4,000	4,000	2,284
MAINTENANCE CONTRACTS				
443025 - Janitorial contractor	2,500	2,500	2,500	0
443036 - Carpenter Contracts	0	0	0	0
443042 - Non-dwelling Structures	0	0	0	0
TOTAL MAINTENANCE CONTRACTS	2,500	2,500	2,500	0

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	Baseline						
	Budget 2024	Budget 2023	Annualize 2023	Actual 2022	2024Bvs2023B	2024Bvs2023A	2024Bvs2022A
ACC Units	7,714	7,753	7,823	7,585	(39)	(109)	129
Average Lease up	75%	95%	75%	73%	-20%	0%	2%
Funding Level - HAP	100%	100%	100%	100%	0%	0%	0%
Funding Level - Admin	80%	85%	95%	89%	-5%	-15%	-9%
OPERATING REVENUE							
HAP INCOME							
Initial BA Funding-net offset	39,535,091	46,184,200	39,897,571	35,191,049	(6,649,109)	(362,480)	4,344,042
HUD Held Reserve	9,595,365	11,034,009	11,034,009				
Fraud Recovery Retained	11,378	17,058	5,967	12,075	(5,680)	5,411	(697)
HAP Disbursements	41,655,600	46,184,200	41,342,183	36,511,215	(4,528,600)	313,417	5,144,385
EXCESS (DEFICIENCY) FUNDING	7,486,234	11,051,067	9,595,364	(1,308,091)	(3,564,833)	(2,109,130)	8,794,325
NET RESTRICTED POSITION (NRP) -BEG. Per GL	(2,860,828)	(2,860,828)	(2,860,828)	(1,552,737)	0	0	(1,308,091)
PROJECTED NRP - END including HUD Held Reserve	4,625,406	8,190,239	6,734,536	(2,860,828)	(3,564,833)	(2,109,130)	7,486,234
ADMINISTRATIVE INCOME							
Administrative Fee Income	3,920,325	5,145,377	5,361,765	4,551,968	(1,225,052)	(1,441,440)	(631,643)
Other income	11,378	13,000	15,171	122,221	(1,622)	(3,793)	(110,843)
Total Admin Income	3,931,703	5,158,377	5,054,425	4,674,189	(1,226,674)	(1,122,723)	(742,486)
ADMINISTRATIVE							
Administrative salaries	2,336,150	2,089,170	2,026,450	1,759,654	246,980	309,700	576,496
Employee Bens. - Admin.	1,212,837	1,112,360	600,462	567,205	100,477	612,375	645,632
Legal & Accounting	0	4,000	0		(4,000)	0	0
Travel and Training	50,000	74,000	43,171	57,039	(24,000)	6,829	(7,039)
Management Fee	0	850,000	0	800,000	(850,000)	0	(800,000)
Telephone	20,000	20,000	19,530	11,178	0	470	8,822
Postage	40,000	40,000	44,976	54,398	0	(4,976)	(14,398)
Temp Services	228,800	400,000	328,206	406,182	(171,200)	(99,406)	(177,382)
Contract service	977,000	100,000	524,965	58,388	877,000	452,035	918,612
Auditing Fees	25,000	20,193	12,515	26,700	4,807	12,485	(1,700)
Sundry	230,232	188,836	309,480	213,315	41,396	(79,248)	16,917
Office supplies	30,000	60,000	47,798	48,387	(30,000)	(17,798)	(18,387)
Printing and reproduction	10,000	15,000	2,058	13,745	(5,000)	7,942	(3,745)
Total ADMINISTRATIVE	5,160,019	4,973,558	3,959,611	4,016,191	186,460	1,200,408	1,143,828
ORDINARY MAINTENANCE & OPERATIONS							
Maintenance Materials	4,000	2,000	2,284	4,325	2,000	1,716	(325)
Maintenance Contracts	2,500	2,500	0	2,289	0	2,500	211
Total ORDINARY MAINTENANCE & OPERATIONS	6,500	4,500	2,284	6,614	2,000	4,216	(114)
PROTECTIVE SERVICES							
Public Safety Allocation	0	0	6,650	1,458	0	(6,650)	(1,458)
Protection Services Contract Costs	0	0		9,999	0		
Total PROTECTION SERVICES	0	0	6,950	11,457	0	(6,950)	(11,457)
GENERAL							
Insurance	149,617	125,226	192,874	140,716	24,390	(43,258)	8,901
Portability Administrative Fees	23,000	23,000	23,627	22,833	0	(627)	167
Total GENERAL	172,617	148,226	216,502	163,549	24,390	(43,885)	9,067
Total Operating Expenses	5,339,135	5,126,285	4,185,347	4,197,810	212,851	1,153,789	1,141,325
Net Income (Loss) from Operations	(1,407,433)	32,092	869,079	476,379	(1,439,525)	(2,276,511)	(1,883,812)
NET UNRESTRICTED NET POSITION (UNP) -BEG.	493,824	(375,254)	(375,254)	(851,633)	869,079	869,079	1,345,457
PROJECTED UNP - END	(913,608)	(343,162)	493,824	(375,254)	(570,446)	(1,407,433)	(538,354)

Assumptions considered in the determining the 2024 Budget amount

As recommended - assumes a lease of 75% and funding level at 80%

Based on projected staffing levels- actual salaries or projected for vacant positions- 45 FTEs please refer to Work Plan for the summary of assumptions.

Reflects our based estimate given projected staff training requirements.
Will be accrued and will be paid only if there is available reserves from Section 8 operations.
Tracks annualized number
Tracks annualized number but savings could be generated with the rent café implementation
Based on projected staffing count of 6 - and cost based on contracted amount with staffing agency
See details on separate tab
tracks 2022 actual. Higher than 2023 annualized as we expect more charges with the current audit status
See below
Tracks 2023 and 2022 but we anticipate reduction due to implementation of rent café
Tracks 2022 actual with anticipated reduction due to rent café and sytem use efficiency

Based on actual billing allocation for 2024.

SUNDRY							
419000 - Sundry	8,000	0	0	11,712	8,000	8,000	(3,712)
419003 - Equipment repair	2,000	10,000	9,115	1,717	(8,000)	(7,115)	283
419005 - Advertising	1,000	100	0	0	900	1,000	1,000
419011 - Membership dues	0	0	241	0	0	(241)	0
419020 - Outside legal expense	10,000	0	10,379	850	10,000	(379)	9,150
419021 - Computer supplies and service	20,000	20,000	54,700	58,219	0	(34,700)	(38,219)
419101 - Hardware Maintenance	0	0	0	663	0	0	(663)
419103 - Software	189,232	158,736	235,046	140,153	30,496	(45,814)	49,078
TOTAL SUNDRY	230,232	188,836	309,480	213,315	41,396	(79,248)	16,917

We expect to gain efficiency here with rent café and system efficiency

Based on actual billing allocation. 2023 is higher due the business process review done with Yardi

MAINTENANCE SUPPLIES							
442007 - Janitorial supplies	4,000	2,000	2,284	1,470	2,000	1,716	2,530
442013 - Furniture	0	0	0	1,768	0	0	(1,768)
442014 - Uniforms	0	0	0	1,087	0	0	(1,087)
TOTAL MAINTENANCE SUPPLIES	4,000	2,000	2,284	4,325	2,000	1,716	(325)

MAINTENANCE CONTRACTS							
443025 - Janitorial contractor	2,500	2,500	0	600	0	2,500	1,900
443036 - Carpenter Contracts	0	0	0	1,098	0	0	(1,098)
443042 - Non-dwelling Structures	0	0	0	591	0	0	(591)
TOTAL MAINTENANCE CONTRACTS	2,500	2,500	0	2,289	0	2,500	211

AS OF 7/31/2023

	ACC UNITS	ANNUALIZED	LEASE UP	LEASE UP %	AVE MONTHLY	PROJECT YE LEASE UP	LEASEUP % -2024	BUDGETED LEASE	
REGULAR TENANT BASED(includes NEDS and Fair Share)	5,474	65,688	28,669	75%	4,096	54620	83%	54620	
REGULAR PROJECT BASED	635	7,620	3,647	82%	521	7250	95%	7250	
VASH VOUCHERS	372	4,464	1,993	77%	285	3600	81%	3600	
FYI	10	120	0	0%	-	0	0%	0	Funded separately not captured in the 2YT Projection Analysis Tab
EHV	121	1,452	647	76%	92	1,104	76%	1104	Funded separately not captured in the 2YT Projection Analysis Tab
TOTAL ACC	6,612	79,344					83.743%	66574	
RAD UNITS	1,211	14,532	6,835	81%	976	14241	98%	14,242	
2018 RAD	488	5,856			-		98%	5739	
2019 RAD	324	3,888					98%	3810	
2020 RAD	256	3,072					98%	3011	
2021 RAD	16	192					98%	188	
2022 RAD	127	1,524					98%	1494	
TOTAL REG VOUCHERS & RAD VOUCHERS	7,823	93,876						80,816	79,712 Utilization excluding EHV & FYI Voucher

ADMIN FEE CALCULATION

LEASE UP-AVE - total	86%
FUNDING RATE	80%
ADMIN FEE RATE	
1ST 7200 UNITS	\$ 75.06
BAL	\$ 70.06

	UNITS	AMOUNT	FUNDED
1ST 7200 UNITS PER MONTH	7200	540,432	432,346
BALANCE	73,616	5,157,537	4,126,030
TOTAL	80,816	5,697,969	4,558,375 To 2024 budget
Per 2YT -cell Q17		5,103,624	
Add Fee on EHV		77,346	
Total		5,180,970	
Funding level per 2YT			91%

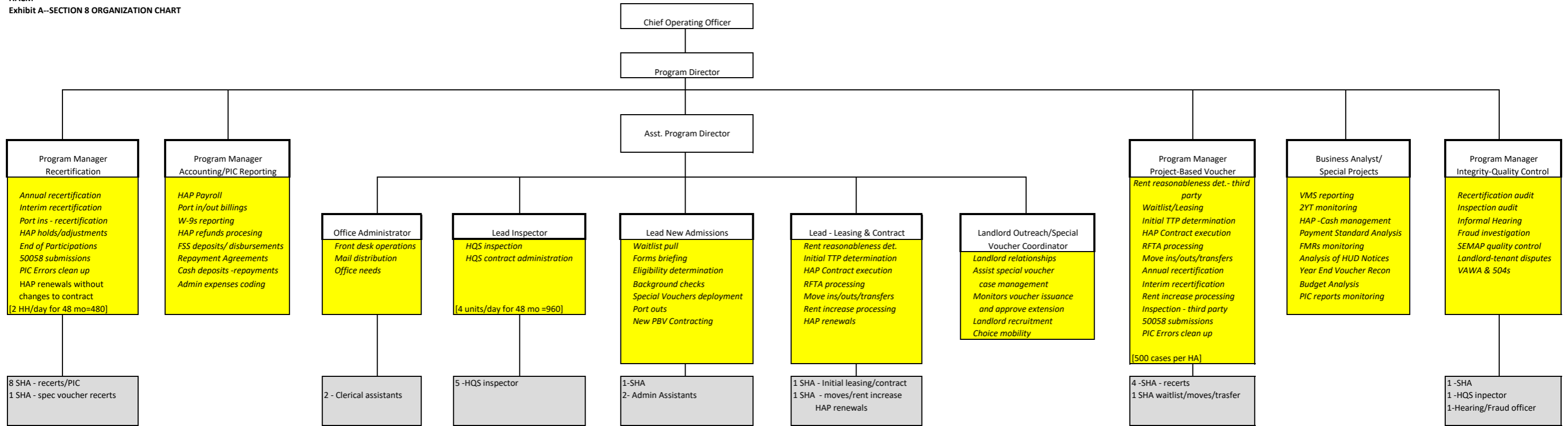
PROJECTED HAP DISBURSEMENTS:

Regular Voucher allocation - See 2YT	47,827,393
EHV & FYI Disbursements	662,400
TOTAL HAP	48,489,793

Section 8
Contracted Cost

Vendor	Scope of Work	Budget Amount	
Nan McKay	Initials/Certifications	\$ 240,000.00	Assume done by regular staff under the 2025 Stabilized operations
Nan McKay	HACM PBVs - Rent Reasonableness	\$ 54,000.00	
Horizon	Referrals/New Admision PBVs HACM owned	\$ 40,000.00	
Homesight	HACM PBVs - inspections - initial, annuals, reinspections	\$ 100,000.00	
Nelrod	Utility Allowance updates	\$ 3,000.00	
Clifton Larson, CPAs	Financial Reconstruction -2017-2022	\$ 500,000.00	One time expenditures
Data Solutions	Assistance in PIC reporting & consultation	\$ 40,000.00	
Total		\$ 977,000.00	

HACM
Exhibit A--SECTION 8 ORGANIZATION CHART



FTEs Count: Assumes a Full ACC Utilization with 10% turn

Director	1
Asst. Director	1
Program Manager	4
Business Analyst	1
Team Leads/Coordinator	5 Team leads for New Admission and Leasing& Contract should be SHA [they are working leads]. Same for Inspection Lead
SHA/HA	18
HQS inspector	6
Admin Assistant	3
Clerical Assistant	1
Hearing/Fraud Officer	1
Total	41

Key Concepts considered in the Proposed Org Structure:

1. Ensure focus and clarify accountabilities on Key & Critical Performance Areas
2. Senior Housing Assistant/Housing Assistant [SHA/HA] are specialist and trained on uniform/consistent process
3. SHA in Recerts/New Admission/Leasing & Contract can swing among the sections as need/volume require.
4. Program Manager are responsible for ensuring PIC Fatal Errors are cleared
5. Assumes regular annual recertification for all vouchers and inspection of all units.
6. Assumes use of Yardi GL - HAP related transactions for the time being. Admin expenses still recorded under the Multiview software