



Boards of Commissioners Update

February 2015

Boards of Commissioners Update – January 2015

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BOARD UPDATE

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TO: Boards of Commissioners

Fresno Housing Authority

FROM: Preston Prince

CEO/Executive Director

DATE: February 17, 2015

AUTHOR: Avtar Boyal

SUBJECT: February 2015 Update on Leasing and Housing Assistance Payments (HAP) Pacing for the Housing Choice Voucher (HCV) Program

Executive Summary

At the January 2015 meeting, the Board inquired about the nation-wide voucher utilization rate, and this information is provided herein.

Nationally, for the 12-month period from September 2013 through August 2014, there had been an overall reduction in HAP expenses and voucher utilization with a potential loss of approximately 4,125 vouchers. While voucher utilization was higher in California, our state had a potential loss of approximately 700 vouchers for the same time period. The 2014 funding notification was not issued until the end of the first quarter of the calendar year. Many housing authorities expressed concerns over the uncertainty of funding and the delay in its notification as the primary reasons for the decrease in voucher utilization. This impacted their ability to plan their staffing resources accordingly and the lead time necessary to get vouchers issued to persons on their waiting lists.

We will continue to maximize our voucher utilization for Calendar Year (CY) 2015, while ensuring that our HAP expenditures are within funding levels.

City HCV

HAP expenditures for the month of January totaled \$3,747,898. The Per Unit Cost (PUC) has decreased from the CY 2014 at \$529 to \$527 for the month of January. HAP expenditures for the year are projected at \$44.3 million, resulting in 99.7% utilization of HAP funding, and an expected year-end balance of \$2.1 million in HAP reserves.

The overall projected voucher utilization for CY 2015 is 99.2%, ending the month of December at 98.5%.

County HCV

HAP expenditures for the month of January totaled \$2,730,928. The PUC has decreased from the CY 2014 of \$513 to \$512 for the month of January. HAP expenditures for the year are projected at \$34.3 million, resulting in 100.6%

utilization of HAP funding, and an expected year-end balance of \$1.1 million in HAP reserves.

The overall projected voucher utilization for CY 2015 is 98.8%, ending the month of December at 99.8%.

Recommendation

This item is informational only. No action is necessary.

CITY HAP ANALYSIS - CALENDAR YEAR 2015

HAP	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	CY 2015 Total
Total HAP Revenue (99.7%)	3,772,347	3,772,347	3,772,347	3,675,526	3,675,526	3,675,526	3,675,526	3,675,526	3,675,526	3,675,526	3,675,526	3,675,526	44,396,775
HAP Expenses	3,747,898	3,733,136	3,718,375	3,703,613	3,688,851	3,674,089	3,672,508	3,670,926	3,669,345	3,667,763	3,666,181	3,664,600	44,277,284
Net HAP	24,449	39,211	53,972	(28,087)	(13,325)	1,437	3,018	4,600	6,181	7,763	9,345	10,926	119,491
Items Impacting NRA*	56	150	150	150	150	150	150	150	150	150	150	150	1,706
PHA-Held Reserve Balance	\$58,253	\$97,614	\$151,736	\$123,799	\$110,624	\$112,211	\$115,379	\$120,129	\$126,460	\$134,374	\$143,868	\$154,945	\$154,945
Items Impacting HUD Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HUD-Held Reserve Balance	\$1,916,377	\$1,916,377	\$1,916,377	\$1,916,377	\$1,916,377	\$1,916,377	\$1,916,377	\$1,916,377	\$1,916,377	\$1,916,377	\$1,916,377	\$1,916,377	\$1,916,377
Total Reserve Balance	\$1,974,630	\$2,013,991	\$2,068,113	\$2,040,176	\$2,027,001	\$2,028,588	\$2,031,756	\$2,036,506	\$2,042,837	\$2,050,751	\$2,060,245	\$2,071,322	\$2,071,322
Monthly Utilization	99.35%	98.96%	98.57%	100.76%	100.36%	99.96%	99.92%	99.87%	99.83%	99.79%	99.75%	99.70%	
YTD Utilization	99.35%	99.16%	98.96%	99.40%	99.59%	99.65%	99.69%	99.71%	99.73%	99.73%	99.73%	99.73%	99.73%

VOUCHER UTILIZATION													
Baseline	7,059	7,059	7,059	7,059	7,059	7,059	7,059	7,059	7,059	7,059	7,059	7,059	84,708
Total Unit Months Leased	7,109	7,081	7,053	7,025	6,997	6,969	6,966	6,963	6,960	6,957	6,954	6,951	83,985
<i>Variance</i>	<i>50</i>	<i>22</i>	<i>(6)</i>	<i>(34)</i>	<i>(62)</i>	<i>(90)</i>	<i>(93)</i>	<i>(96)</i>	<i>(99)</i>	<i>(102)</i>	<i>(105)</i>	<i>(108)</i>	<i>(723)</i>
YTD Baseline	7,059	14,118	21,177	28,236	35,295	42,354	49,413	56,472	63,531	70,590	77,649	84,708	84,708
YTD Unit Months Leased	7,109	14,190	21,243	28,268	35,265	42,234	49,200	56,163	63,123	70,080	77,034	83,985	83,985
Monthly Utilization	100.71%	100.31%	99.92%	99.52%	99.12%	98.73%	98.68%	98.64%	98.60%	98.56%	98.51%	98.47%	
YTD Utilization	100.71%	100.51%	100.31%	100.11%	99.92%	99.72%	99.57%	99.45%	99.36%	99.28%	99.21%	99.15%	99.15%

ADMINISTRATIVE FEES													
Administrative Fees Earned (75%)	392,326	378,312	376,843	375,377	373,892	372,365	372,209	372,084	371,930	371,776	371,622	371,468	4,500,205
Administrative Expenses	425,708	425,708	425,708	425,708	425,708	425,708	425,708	425,708	425,708	425,708	425,708	425,708	5,108,496
Monthly Surplus/(Deficit)	(33,382)	(47,396)	(48,865)	(50,331)	(51,816)	(53,343)	(53,499)	(53,624)	(53,778)	(53,932)	(54,086)	(54,240)	
YTD Surplus/(Deficit)	(33,382)	(80,778)	(129,642)	(179,973)	(231,789)	(285,132)	(338,631)	(392,256)	(446,034)	(499,966)	(554,052)	(608,291)	(608,291)

AVG HOUSEHOLD INCOME													
Avg Household Inc.	10,361	10,395	10,394	10,304	10,398	10,409	10,412	10,397	10,360	10,360	10,360	10,360	10,376
Per Unit Cost	527	527	527	527	527	527	527	527	527	527	527	527	527

*Items impacting NRA include: Fraud Recoveries, FSS Escrow Forfeitures, Interest earned on HAP Reserves, and HUD - Required Reserve Utilization

COUNTY HAP ANALYSIS - CALENDAR YEAR 2015

HAP	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	CY 2015 Total
Total HAP Revenue (99.7%)	2,811,731	2,811,731	2,811,731	2,831,411	2,831,411	2,831,411	2,831,411	2,831,411	2,839,565	2,897,804	2,892,173	2,886,542	34,108,332
HAP Expenses	2,730,928	2,776,486	2,822,044	2,842,008	2,861,972	2,881,935	2,901,899	2,909,065	2,903,435	2,897,804	2,892,173	2,886,542	34,306,291
Net HAP	80,803	35,245	(10,313)	(10,597)	(30,561)	(50,524)	(70,488)	(77,654)	(63,870)	0	(0)	(0)	(197,959)
Items Impacting NRA*	357	-	-	-	-	-	-	-	-	-	-	-	357
PHA-Held Reserve Balance	\$278,762	\$314,007	\$303,694	\$293,097	\$262,536	\$212,012	\$141,524	\$63,870	\$0	\$0	\$0	\$0	\$0
Items Impacting HUD Reserve	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$8,154	-\$66,393	-\$60,762	-\$55,131	-\$190,440
HUD-Held Reserve Balance	\$1,267,880	\$1,267,880	\$1,267,880	\$1,267,880	\$1,267,880	\$1,267,880	\$1,267,880	\$1,267,880	\$1,259,726	\$1,193,333	\$1,132,571	\$1,077,440	\$1,077,440
Total Reserve Balance	\$1,546,642	\$1,581,887	\$1,571,574	\$1,560,977	\$1,530,416	\$1,479,892	\$1,409,404	\$1,331,750	\$1,259,726	\$1,193,333	\$1,132,571	\$1,077,440	\$1,077,440
Monthly Utilization	97.13%	98.75%	100.37%	100.37%	101.08%	101.78%	102.49%	102.74%	102.25%	100.00%	100.00%	100.00%	
YTD Utilization	97.13%	97.94%	98.75%	99.16%	99.54%	99.92%	100.29%	100.59%	100.78%	100.70%	100.63%	100.58%	100.58%

VOUCHER UTILIZATION

Baseline	5,652	5,652	5,652	5,652	5,652	5,652	5,652	5,652	5,652	5,652	5,652	5,652	67,824
Total Unit Months Leased	5,335	5,424	5,513	5,552	5,591	5,630	5,669	5,683	5,672	5,661	5,650	5,639	67,019
<i>Variance</i>	<i>(317)</i>	<i>(228)</i>	<i>(139)</i>	<i>(100)</i>	<i>(61)</i>	<i>(22)</i>	<i>17</i>	<i>31</i>	<i>20</i>	<i>9</i>	<i>(2)</i>	<i>(13)</i>	<i>(805)</i>
YTD Baseline	5,652	11,304	16,956	22,608	28,260	33,912	39,564	45,216	50,868	56,520	62,172	67,824	67,824
YTD Unit Months Leased	5,335	10,759	16,272	21,824	27,415	33,045	38,714	44,397	50,069	55,730	61,380	67,019	67,019
Monthly Utilization	94.39%	95.97%	97.54%	98.23%	98.92%	99.61%	100.30%	100.55%	100.35%	100.16%	99.96%	99.77%	
YTD Utilization	94.39%	95.18%	95.97%	96.53%	97.01%	97.44%	97.85%	98.19%	98.43%	98.60%	98.73%	98.81%	98.81%

ADMINISTRATIVE FEES

Administrative Fees Earned (75%)	285,552	289,915	294,634	296,703	298,771	300,839	302,907	303,649	303,066	302,483	301,900	301,316	3,581,735
Administrative Expenses	305,127	305,127	305,127	305,127	305,127	305,127	305,127	305,127	305,127	305,127	305,127	305,127	3,661,521
Monthly Surplus/(Deficit)	(19,575)	(15,212)	(10,492)	(8,424)	(6,356)	(4,288)	(2,220)	(1,477)	(2,061)	(2,644)	(3,227)	(3,811)	
YTD Surplus/(Deficit)	(19,575)	(34,787)	(45,279)	(53,703)	(60,059)	(64,347)	(66,567)	(68,044)	(70,104)	(72,748)	(75,976)	(79,786)	(79,786)

AVG HOUSEHOLD INCOME

Avg Household Inc.	10,259	10,277	10,298	10,271	10,195	10,200	10,174	10,204	10,149	10,149	10,149	10,149	10,206
Per Unit Cost	512	512	512	512	512	512	512	512	512	512	512	512	512

*Items impacting NRA include: Fraud Recoveries, FSS Escrow Forfeitures, Interest earned on HAP Reserves, and HUD - Required Reserve Utilization

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TO: Boards of Commissioners

Fresno Housing Authority

FROM: Preston Prince



SUBJECT: Enterprise Management System (EMS) Update

DATE: February 17, 2015

AUTHOR: Jim Barker

Enterprise Management System Progress Report

Approximately three years ago it became clear that the Agency's existing information systems had become inadequate for the expanding needs of the Agency. Four independent information systems were (and are) concurrently in use. Two of the systems are specifically for housing management and operations, one is for Human Resources and Payroll and the fourth is the accounting system. Each of these systems requires specialized in-house knowledge for their operation as well as individual contracts for product use, support and maintenance. These systems fail to share information among themselves, and they do not interface with our antiquated accounting software. In addition to these inherent deficiencies, these systems are unable to provide sufficient and timely data and management reports. They also fail to provide the flexibility necessary to meet constantly changing demands for information.

Technological advancements in software productivity and flexibility, coupled with public housing and asset management specific software suites, made it necessary to consider whether or not a conversion to a fully integrated enterprise management system would produce economies, efficiencies and additional informational resources sufficient to justify the cost of such a major revamping of electronic systems. After consultation with information technology (IT) professionals, other housing agencies and software vendors, it was determined that management would be remiss NOT to move ahead with a search for the EMS system which would best meet the needs of our Agency through best-practice technologies. The Board of Commissioners has supported this endeavor since the beginning of the project and incorporated funding for this project in the 2014 annual budget in the amount of nearly \$500 thousand.

In the early part of 2014 the Agency began in earnest to find the optimal EMS system. A team of seven staff members from various facets of the Agency was selected to lead the search. The team consists of Clayton Lucas, Director of Administration; Marie Quon-Hom, Director of Assisted Housing; Richard Bradley, Director of Housing Management; Michael Duarte, Senior Manager for Development; Emily (Williams) DeLaGuerra, Finance Manager focusing on

Asset Management; Roger Cardoza, Accounting Manager; and Jim Barker, CFO. The team is supplemented by numerous staff members who routinely utilize the existing systems, and therefore understand the systems' deficiencies. Upper management has also been continually engaged in the search and selection process. Proper procurement protocols have been established and maintained through the direction of Scott Berry, Administrative Services Analyst, and Caleb Brooks, Procurement Coordinator.

Next in the process was the drafting of the EMS requirements followed by the July 2014 issuance of a Request for Proposals (RFP) from software vendors. Because our requirements included numerous tasks specific to the public housing industry, it was no surprise that all three firms which responded to the RFP specialize in software for the public housing industry.

During the latter part of 2014, it became evident that the selection and implementation process would take longer than originally anticipated given the complexity of the system and the size of the investment. The decision was therefore made to reallocate the funds from the 2014 budget into the 2015 budget. The Boards of Commissioners approved this "reallocation" during the 2015 budget development cycle.

It was then our task to determine which of these providers, if any, could most adequately meet the complex needs of our Agency. This consisted of a multi-step process which began with an initial evaluation and scoring of each of the three written proposals. To facilitate this scoring process, a video conference was held with representatives of each of the responding software firms and references were checked. Based on the results of the evaluation and scoring, two of the respondents each conducted all day on-site product demonstrations to numerous members of our staff. Currently in the process, selected staff members are visiting home offices of the two top ranked respondents. This step is designed to ensure that the respondent company is well-founded, has a knowledgeable, engaging staff and has the physical infrastructure which would allow us to entrust to them this hugely critical aspect of the Agency's internal control systems. For added reliance, we are sending delegations of staff members to visit other housing authorities which are currently using these systems.

Finally, we have invited two unrelated consulting firms to conduct assessments of our selection process. One firm specializes in information technology, and will assess our selection process from a best of breed perspective. This firm will look at each major system process to determine whether or not we have made the best choice for our particular situation. The second firm specializes in the public housing industry, and therefore will assess our process of selecting the system which best meets the administrative, operational, compliance and reporting needs of the Agency.

When these steps are complete, a final decision will be made by the selection team and a recommendation will be made to administration and the Boards of Commissioners. We anticipate that the selection will be made within the next couple of months, and that implementation may begin in the upcoming summer.

If you have questions or concerns, please feel free to address them to Clayton Lucas, Director of Administration, or Jim Barker, CFO.