

RESOLUTION NO. _____

ADOPTION OF 2020 - 2021 CONSOLIDATED BUDGET

Item No. 5b

WHEREAS, the Louisville Metro Housing Authority's Consolidated Budget for fiscal year 2020 - 2021 has been prepared in accordance with PHA 7475.1 Low-Income Housing Management Handbook; and

WHEREAS, the Consolidated Budget is a component of the annual Moving to Work Plan; and

WHEREAS, all certification requirements have been met.

NOW, THEREFORE, BE IT RESOLVED BY THE LOUISVILLE METRO HOUSING AUTHORITY'S BOARD OF COMMISSIONERS, that the proposed expenditures in the Consolidated Budget for 2020 - 2021 are necessary for the appropriate delivery of resident services and efficient operation of the Louisville Metro Housing Authority. Additionally, the Executive Director is authorized to execute amendments to the Annual Contributions Contract (ACC) with HUD for the Capital Fund Program (CFP), Operating Fund, and Section 8 Housing Choice Voucher Program as needed.

RESOLUTION BACKGROUND STATEMENT
ADOPTION OF 2020 - 2021 CONSOLIDATED BUDGET

Item No. 5b

I. STATEMENT OF FACTS:

The 2020 - 2021 consolidated budget contains planned income and expenses for LMHA's Public Housing and Section 8 Programs, as well as for the Central Office Cost Center. The Capital budget is also included. Operating subsidy has been calculated assuming that 85% of eligibility will be paid to LMHA. The Section 8 Voucher Program assumes 97% of eligibility will be paid. Additionally, the inter-fund transfer includes \$6.968MM to the Operating Budget and another \$196K to the COCC for a total interfund transfer of \$7.164MM from the MTW Section 8 Program. The transfers from the Section 8 Voucher Program are to help offset the estimated shortfall in operating subsidy in the Public Housing Program, to pay for public housing operations that exceed the HUD established project expense level (PEL), and to balance the COCC budget in a time of declining revenue.

The 2020 – 2021 consolidated budget has been reviewed in detail by members of the Audit/Finance Committee.

Finance staff will be available at the April board meeting to address any questions.

Budget projection could be affected by results of COVID-19 pandemic.

II. ALTERNATIVES:

- A. Approve the 2020 - 2021 consolidated budget as submitted.
- B. Revise the 2020 - 2021 consolidated budget to include an increase/decrease in the budgeted operating surpluses or deficits.

III. RECOMMENDATION:

Staff recommends Alternative A.

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IV. JUSTIFICATION:

- The proposed budget provides for a program of expenditures that is necessary and reasonable in the delivery of service to LMHA's residents.
- Income levels and funding factors are based upon the latest data supplied by the Department of Housing & Urban Development and are considered by staff to be a reasonable projection of LMHA's revenues for 2020 - 2021.
- The 2020 – 2021 consolidated budget will continue to maintain LMHA's solid financial condition.

Prepared By: Jeff Ralph
Director of Strategic Initiatives
Finance

Submitted By: Wavid Wray
Deputy Executive Director of Finance
April 21, 2020