

ANNUAL BUDGET

Fiscal Year
April 1, 2011 through March 31, 2012





BOARD OF COMMISSIONERS

Casey Wallace
Chairman

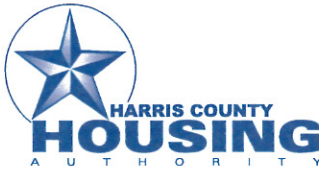
Walter Jones
Peggy Kruckemeyer
Alberto Cardenas, Jr.
Graciela Martinez

Guy Rankin
CEO & Executive Director

Acknowledgement



The preparation of the budget could not have been accomplished without the efforts and dedication of the staff. The Board of Commissioners would like to express our appreciation to the staff that assisted in its preparation. This budget represents sound, prudent, financial management policies and practices employed in meeting our mission of providing innovative housing communities and encouraging our clients to achieve self-sufficiency.



THE GOALS

General Responsibilities of the Board

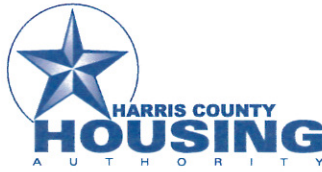
The principle responsibilities of the Board of Commissioners to the Housing Authority include the following:

- To establish the long-range vision required to meet local community needs;
- To plan actively for the future of the Housing Authority;
- To establish policies that provide direction for the agency, reflect the values of the board, and comply with applicable federal, state, and local laws and regulations;
- To hire a qualified executive director to implement housing programs, manage staff, and assume responsibility for day-to-day Authority operations;
- To evaluate, adopt, and monitor operating budgets;
- To monitor the finances of the Authority, the progress the Authority is making toward its mission, and the performance of the executive director; and,
- To act as an advocate for the Authority and serve as a link to the community.

Goals for the Harris County Housing Authority Staff

The principle goals of the HCHA for FY2012 include the following:

- Develop Veterans Housing Communities;
- Develop a Neighborhood National Stabilization Program;
- Provide assistance to DHAP IKE Harris County citizens;
- Provide National Assistance on Disaster Recovery in America;
- Maintain the Section Eight Management Assessment Program as ("High Performer");
- Develop two new affordable housing tax credit developments for seniors;
- Provide homeownership seminars for all clients earning more than \$30,000 per year;
- Assess the social service delivery systems at our tax credit developments and the SRO;
- Analyze Housing Market Trends; and,
- Provide training and professional development opportunities for all staff.



2011-2012 ANNUAL BUDGET

Overview

Harris County Housing Authority ("HCHA") was established on March 20, 1975, pursuant to Local Government Code ("LGC") Chapter 392, by a resolution of Harris County Commissioners Court (the "Court"). The Court resolution also appointed five commissioners to govern HCHA in accordance with LGC Chapter 392.

On March 29, 1994, the Court merged HCHA with the Harris County Community Development Department ("HCCDD"). HCHA grant contracts with the Department of Housing and Urban Development ("HUD") were subsequently assumed by HCCDD and the Court did not reappoint HCHA commissioners.

On March 4, 2003, an Interlocal Agreement between HCHA and Harris County (the "County") was approved by the Court, whereby HCHA personnel are employed through the County and the County is reimbursed for personnel cost. The Court appointed five new commissioners to govern HCHA. The Interlocal Agreement terminated on February 28, 2010 and was not renewed.

Policy Issues

Economic Environment

The Housing Choice Voucher / Section 8 ("HCV") program has increased to 3,893 vouchers. This increase is a result of converting DHAP Katrina vouchers to HCV. The Department of Housing and Urban Development ("HUD") may cut HCV funding by up to 40% due to the new direction of the 112th Congress. HCHA will continue to serve victims of Hurricane IKE ("DHAP IKE") through September 2011 with the extension of the program. As with DHAP Katrina where HUD awarded HCHA additional vouchers in an effort to convert DHAP Katrina to HCV, it is possible that HUD will again award HCHA additional vouchers in an effort to convert DHAP IKE to HCV. A budget adjustment will be made if additional vouchers are awarded in FY 2012.



2011-2012 ANNUAL BUDGET

Salaries, Allowances and Positions

Cost of Living

A three percent annual cost-of-living salary adjustment will be delayed for discussion until mid-year review in September. The annual cost of the adjustment, if granted, would be about \$65,000.

Allowances

HCHA does not provide monthly vehicle allowances.

Positions and Salaries

HCHA currently has a staff of 36 employees. The average annual salary of HCHA staff is \$58,522 plus benefits of \$19,635.

Group Health and Related Benefits

As a result of the anticipated termination of the Interlocal Agreement with Harris County, HCHA has secured BlueCross BlueShield as its medical provider. HCHA basic coverage remains unchanged, with 100% of the cost for the employee paid by HCHA plus 50% of the cost for dependents. The total annual cost for employees and dependents is projected to be \$377,972. HCHA's share of the cost will be approximately \$283,479 or 75% of the total.

The contribution by HCHA to the Texas County & District Retirement System ("TCDRS") for FY 2012 is estimated at \$210,682 or 10% of payroll. The cost could slightly increase due to increased requirements by TCDRS.

Recurring Contractual Expenses

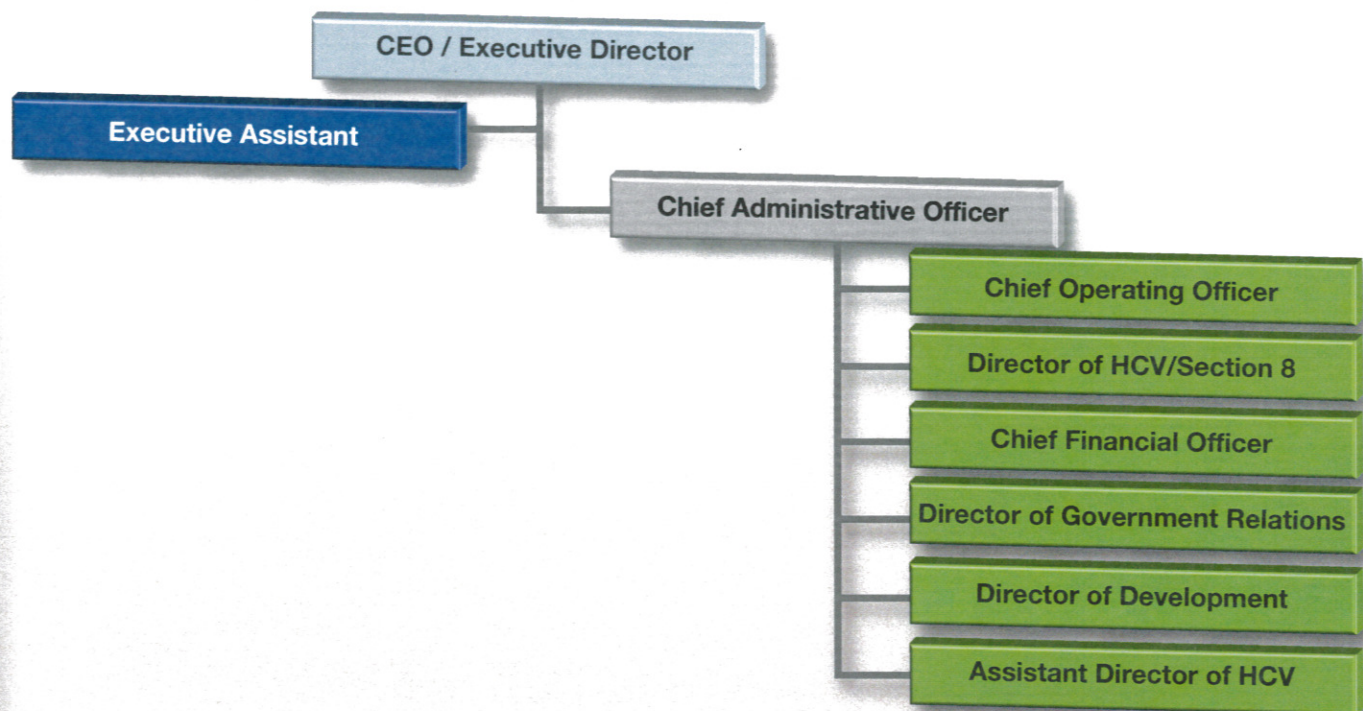
The following contracts are five year contracts which began in 2009. Approval of the budget is inclusive of: Legal, Audit, Computer Software, Technical Assistance, Banking, Public Relations, Printing & Reproduction.

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• Legal	Michael P. Fleming & Associates, P.C.	\$30,000.00
• Audit	Breedlove & Company, P.C.	\$60,000.00
• HCV	Housing Pro Software	\$15,000.00
• Staff Training	Nan McKay	\$75,000.00
• Banking	Amegy Bank	\$12,000.00
• Public Relations	PierPont	\$50,000.00
• Printing & Reproduction	Creative Services Group	\$50,000.00

Approval of the budget is ratification of these contracts. The CEO / Executive Director has sole authority for items below \$25,000.00.

CEO / EXECUTIVE DIRECTOR AND EXECUTIVE TEAM



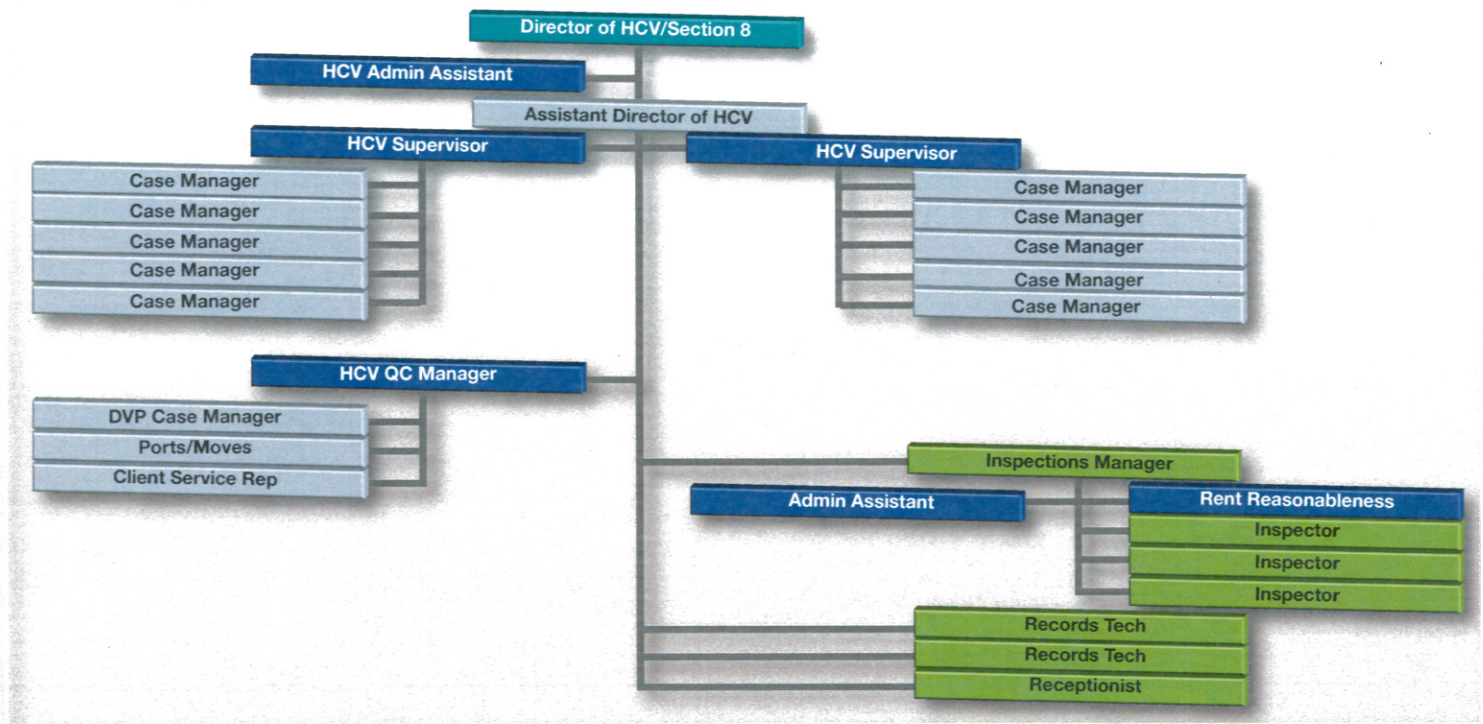
Purpose

The CEO / Executive Director serves as an appointed official on behalf of the Board of Commissioners of HCHA. The CEO / Executive Director plans and directs all programs and policies of HCHA. As a visionary, in the midst of economic decline, the CEO / Executive Director and the Executive team will continue to address the economic challenges of empowering citizens of Harris County to build brighter futures and encourage its clients to become homeowners and achieve self-sufficiency.

In late 2007, in the aftermath of Hurricane Katrina, HCHA was thrust in the limelight as a leader in disaster recovery. HCHA's CEO / Executive Director and the Executive staff are frequently invited to sessions with the United States President's administration to provide concrete ideas on improving and reforming specific federal programs essential to long-term disaster recovery.

THE PROGRAMS

HCV, DVP, Mod Rehab Organizational Chart



Purpose

Housing Choice Voucher (HCV) Program

The Housing Choice Program provides rental assistance for low-income households who live in privately owned housing. This allows families more freedom in choosing units. The rent charged must be comparable to unassisted units in the area. HCHA currently operates with 3,893 vouchers and assists clients with approximately 34 million dollars in rental assistance. With a Voucher, the family pays a portion of rent based on approximately 30% of their monthly household income. The family is responsible to pay this determined portion directly to the landlord. If the family selects a rental unit that is higher in price than the approved payment standard, the family must pay the difference up to 40% of their monthly income.

Disaster Voucher Program (DVP)

The Disaster Voucher Program provides temporary rental assistance for HUD-assisted families and special needs/homeless families displaced as a result of Hurricane Katrina and Hurricane Rita. The DVP has been extended and Harris County Housing Authority currently provides rental assistance services to approximately 140 families.

Moderate Rehabilitation / (Mod Rehab)

The Moderate Rehabilitation (Mod Rehab) program was designed in 1978 to be an expansion of the rental certificate program. The rental certificate program was initially amended to permit moderate levels of rehabilitation to upgrade and preserve the nation's housing stock. HCHA currently provides rental assistance for 8 Mod Rehab units.

Disaster Housing Assistance Program Organizational Chart



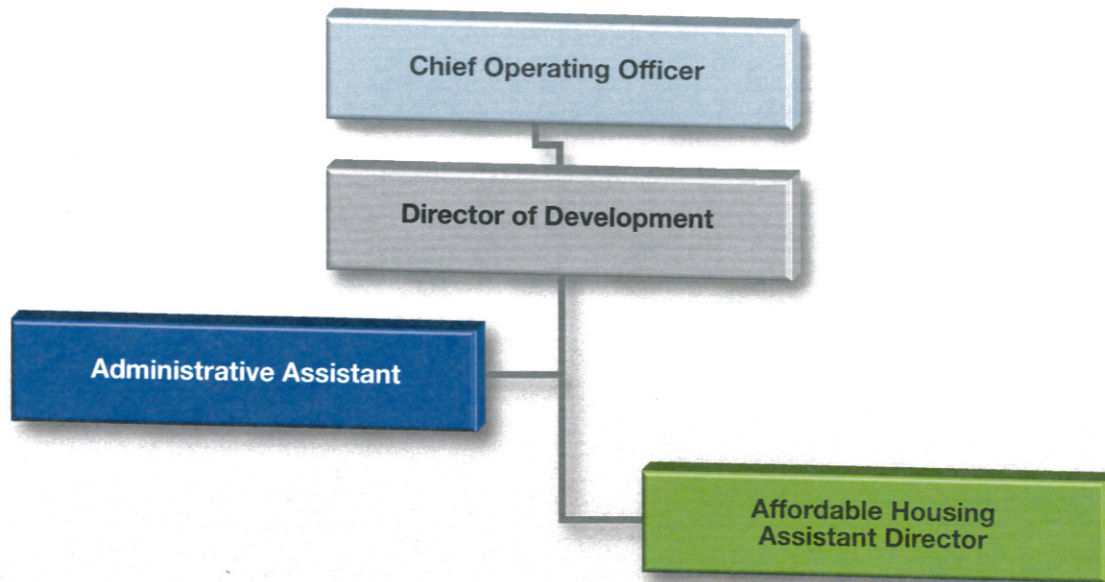
Purpose

Disaster Housing Assistance Program (DHAP)

DHAP IKE was established in November 2008, to provide rental assistance to families impacted by Hurricane IKE. Harris County Housing Authority

currently provides rental assistance services to approximately 900 families. DHAP IKE is projected to continue through September, 2011.

Affordable Housing Department Organizational Chart



Purpose

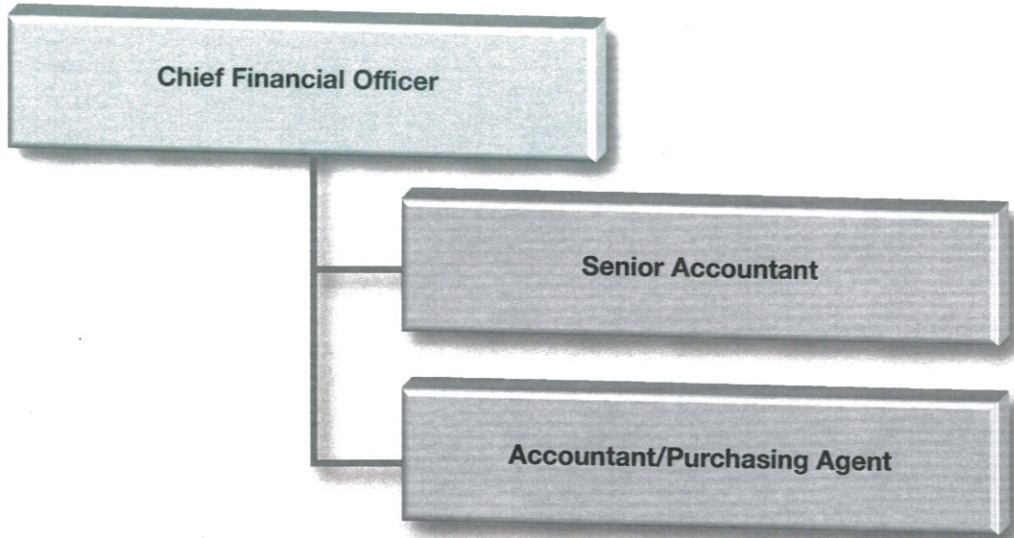
Affordable Housing Division

The Affordable Housing Division of HCHA is committed to the development and operation of safe and affordable housing communities with enhanced access to social services to low-income persons who are 55 years and older. Current programs include the Development of Affordable Housing using Low Income Tax Credits, the management and operation of the Homeownership Independence Program and a Single Room Occupancy Program that serves the homeless population.

HCHA also builds innovative housing developments by forming collaborative partnerships with the region's best developers, builders, engineers, and design professionals. HCHA specializes in using housing tax credits which leverage private resources to create first-class rental communities for seniors. These properties are full-service developments featuring the highest quality amenities.

Since 2006, HCHA has developed six properties representing more than 1,000 housing units. Two additional developments will complete construction in May 2011.

Finance Department Organizational Chart

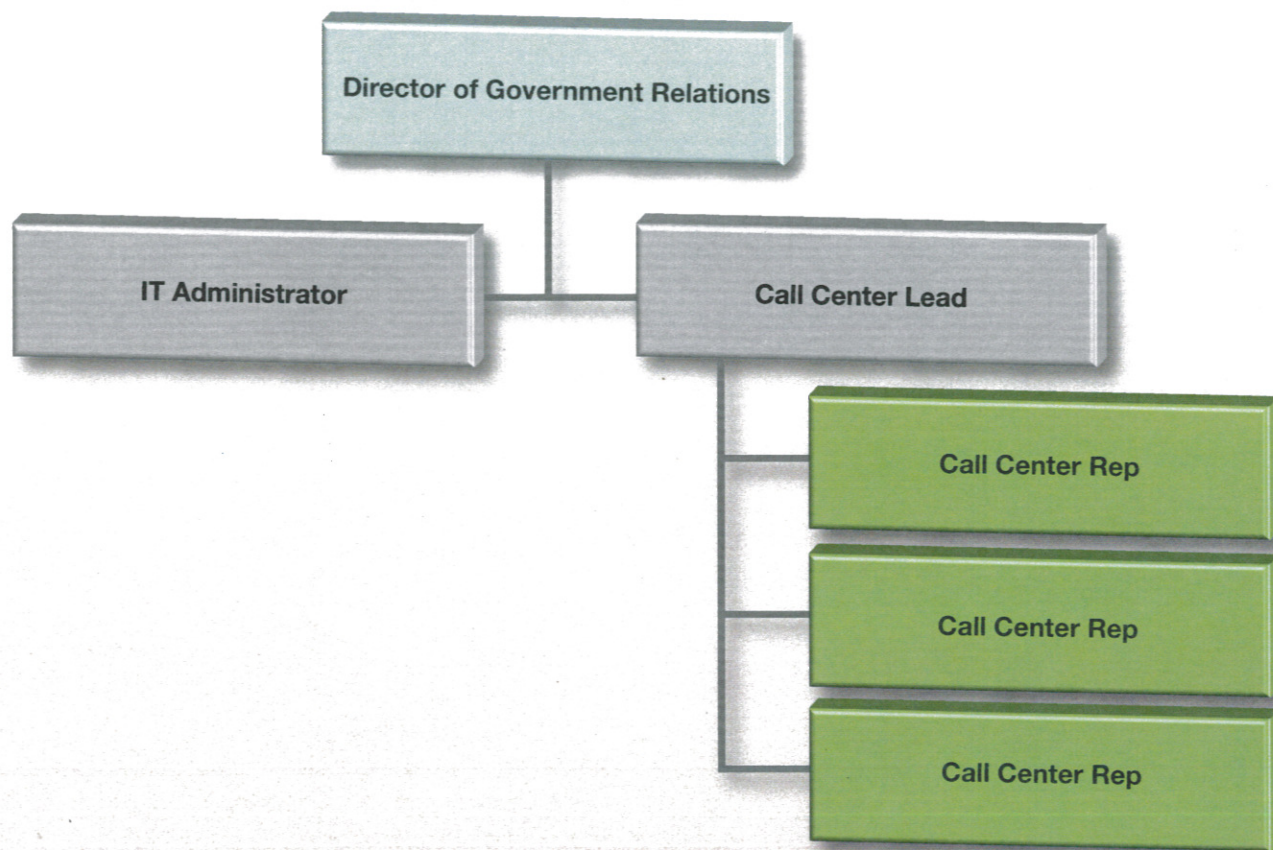


Purpose

The finance department utilizes reliable estimates of the financial requirements of HCHA for the fiscal year and identifies the income sources for meeting the projected obligations. Projected funds will be

disbursed to meet the financial obligations and requirements. The finance department will ensure that cash and reserves are adequately managed.

*Director of Government Affairs
Organizational Chart*



Purpose

The Director of Government Relations is responsible for directing HCHA overall local, state and federal initiatives and objectives. All government relations and internal/external communication

functions are monitored to encourage and maintain effective relations with elected, appointed local, state and federal officials.

EXECUTIVE SUMMARY

The Harris County Housing Authority (HCHA) budget is a planning document for the use of financial resources during the fiscal year. HCHA is a governmental non-profit corporation providing services to the residents of Harris County in a HUD designated service area.

The HCHA service area is approximately 1,100 square miles and serving almost 1.7 million people.

HCHA will receive an estimated thirty five (35) million dollars to provide rental assistance to clients who want to live in privately owned housing. HCHA does not own any public housing for FY2012. HCHA will receive a fee for services of approximately three million one-hundred thousand dollars for administering the rental assistance programs.

The Harris County Housing Authority does not operate with any County general funds and is considered to be a separate unit of local government under chapter 392 of the Texas local government code.

Basis of Accounting

The basis of accounting is the method by which revenues and expenses are recognized. The accounting treatment applied to a fund is determined by its measurement focus. The fund type used to account for this program is the proprietary fund. All proprietary fund types are accounted for on a flow of economic resources measurement focus and use accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when they are incurred. The type of proprietary fund the HCHA uses is an enterprise fund. The enterprise fund is used when there is intent to recover all cost and possibly make a profit. This fund type is intended to cover activities conducted as they would be in a private business enterprise.

Basis of Budgeting

Our budget process is based on working capital and budgets are adopted on a basis consistent with generally accepted accounting principles. The budget presented in this document is based on the cash basis of accounting. The cash basis accounting method is only used for budget presentations.

Accounting Code Structure

Our Accounting Code Structure is designed to function with a 14-digit code, which is similar to the coding structure that HUD uses for year-ending reporting

STATEMENT OF BUDGET ACTIONS AND PROGRESS TOWARD HCHA 5-YEAR GOALS AND OBJECTIVES

The Harris County Housing Authority will continue to maintain a SEMAP High Performer score while improving the delivery of services to the community. The Harris County Housing Authority proposes the following for our 2010-2014 goals:

The Development of:

- **Cypresswood Estates** – An 88-unit senior housing community to be constructed at 15403 Kuykendahl Road near FM 1960 West. The project will be funded by Neighborhood Stabilization and CDBG Program funds.
The total project cost is \$11,272,779 of which 85% is grant funds.
The project will carry a permanent loan of \$1,698,593.
The HCHA will serve as sole developer of the project.
Construction will be complete in May 2011.
The project's design qualifies for a LEED Silver designation and will be the first affordable green housing building in Harris County
- **Sierra Meadows** is a 90-unit LIHTC senior housing development to be constructed at Beltway 8 near Wilson Road. The project will be funded with 9% tax credits from TDHCA. The project was awarded tax credits on July 30, 2009.
The project cost is \$13,495,451, of which 60% is tax credit equity and \$2 million is HOME funds.
The project will carry a permanent loan of \$3,000,000.
The HCHA will serve as co-developer of the project, with Integrated Real Estate Development.
Construction will be complete in May 2011.
- **Patriots by The Lake Master Plan** – The master plan preliminary design and engineering phase has been completed. The lift station, force main and wastewater treatment plant construction design has begun. National and Regional VA support for the project has been obtained. The General Plan, Preliminary Plat and Final Plat for the development have been approved by the City of Houston. The Army Corps of Engineers approved and issued a permit for our storm water outfall into Lake Houston.

The Management of:

- The HCV **Independence Homeownership** program currently assists 19 families and HCHA seeks to double the number of families being assisted through this nationally award winning program.
- The **MOD-Rehab, Thomas Apartments**, an 8-unit apartment complex remains 100% leased in the Crosby area and HCHA will continue to assist this property.
- HCHA will seek to continue our successful run as a **SEMAP High Performer**, HUD's highest rating. HCHA seeks its 8th-13th consecutive year of this rating during this plan period.
- HCHA assisted more than 20,000 **Disaster Housing Assistance Program** (DHAP) clients by December 2009. HCHA will continue to be a national leader in the field of Disaster Housing for the country. HCHA will serve more than 900 families in 2011.

- HCHA continues to assist the homeless population with the 72 **Jackson Hinds SRO Units**. This project will be supported by HCHA until the end of the 2014 PHA Plan.
- HCHA received the **Nan McKay Award of Merit in Housing and Community Development** in December 2009 and will seek other national awards through the plan period when merited.
- HCHA received the HUD DHAP Award in December 2009.

In 2011, HCHA will complete two new developments for low and moderate-income residents of Harris County, house the homeless, provide for our seniors and create new homeowners. None of these great accomplishments can be completed without the vision and leadership of our Board of Commissioners. Additionally, the direct credit goes to the staff and team members at HCHA who work to make these achievements possible.

PHA Goal: Expand the Supply of Assisted Housing

HCHA's lease up rate for the end of the budget year was maintained at near 100%.

HCHA has maintained the local preferences to include disabled/handicapped families.

Strategies to aggressively increase the number of housing choice vouchers, including special purpose vouchers targeted for the elderly and the disabled, will be pursued by appropriately responding to Notices of Funding Available (NOFA's) during the year 2011.

HCHA has continued the development of affordable housing for seniors this year and will continue to add each year to reach the goal of 2000 units in the next five years or by 2014.

HCHA will seek an additional 1,000 vouchers for the senior and disabled population from DHAP IKE to support these families recovery in 2011.

PHA Goal: Improve the Quality of Assisted Housing

Extensive training and certification will continue for HCHA staff to improve the quality of service provided by our staff. The training will expand the knowledge that the experienced staff has acquired through years of service to Harris County residents and bring the staff up to date on current housing procedures and changes.

Customer service and satisfaction will continue. HCHA will strive to achieve a 1/300 Case Manager ratio for 2010-2014.

PHA Goal: Increase Assisted Housing Choices

To increase housing choices for HCHA assisted housing participants, the voucher payment standards are reviewed annually. Increased market rents, compatibility with the private sector and availability of units are considered when reviewing the payment standards.

HCHA has increased housing choices through the assistance of the relocation specialist, which assist families to locate a unit during the moving process. The relocation specialist also assists with the rent reasonableness

process to ensure the quality of units meet not only Housing Quality Standards (HQS), but expectations of the clients before lease up. The HCHA has also maintained the portability move-in and move-out process to one Case Manager who can better address the needs of the participant porting to HCHA or porting out to another agency.

HCHA has assisted 2,000 Disaster Housing Assistance Program (DHAP) Participants on the road to self-sufficiency while providing social service counseling.

HCHA has been asked by HUD and DHS to assist more than 12,000 families nationwide. This includes DHAP USA a program to assist victims of Hurricanes Katrina and Rita in 41 states. HCHA is now the premier disaster assistance housing authority in America. HCHA is capable of managing disaster housing throughout the United States of America and is considered a leader in this field.

PHA Goal: Promote Self-Sufficiency and Asset Development of Families and Individuals

Housing Choice Voucher families face a number of challenges on the road to economic independence and homeownership. They may lack the education, job experience, and knowledge of household financial management and self-confidence to successfully move from dependency to self-sufficiency. Some also face difficult personal obstacles, including difficulties raising children, health care problems, lack of transportation and childcare. The Housing Authority has formed partnerships with *The Work Source* and *Harris County Social Services* to provide every client an opportunity to seek employment or gain additional skills needed to be 100% self-sufficient. All clients receive JOB counseling at least one time per year.

PHA's Vision: A Ten Year Look Ahead – VISION 20/20

Housing Choice Voucher Program Automated – HCHA seeks to design and develop a state-of-the-art internet voucher management system where tenants and clients can apply and be recertified on line. The process will serve as a national model and save the industry hundreds of millions of dollars nationally.

Green Affordable Housing Development – HCHA will develop the first green affordable housing building in Harris County, Texas.

Master-Planned Veteran Communities – HCHA will develop the first master-planned veteran community in America.

Disaster Research and Recovery Center – HCHA will develop a national model for damage assessment and risk assessment after a disaster.

Large Family Rental Housing – HCHA will develop an intergenerational mixed-use development for seniors and large families to live in close proximity to one another.



OPERATING BUDGET SUMMARY – ALL PROGRAMS
For Fiscal Year Ending March 31, 2012



OPERATING BUDGET SUMMARY – ALL PROGRAMS

For Fiscal Year Ending March 31, 2012

	Housing Choice Voucher (HCV)	Disaster Voucher Program (DVP)	MOD REHAB	Jackson Hinds SRO	Affordable Housing Division (AHD)	Disaster Housing Assistance Program (DHAP)	2011-2012 Budget
Operating Receipts:							
HUD PHA Grants - Administrative Fees	\$2,674,491	\$54,000	\$6,123	\$55,106	-	\$302,500	\$3,092,220
HUD PHA Grants - Case Management Fees	-	-	-	-	-	\$275,000	\$275,000
Co-Developer Fees	-	-	-	-	\$1,083,898	-	\$1,083,898
Interest Income	-	-	-	-	-	-	-
Incentive Management Fee	-	-	-	-	\$192,351	-	\$192,351
Total Operating Receipts	\$2,674,491	\$54,000	\$6,123	\$55,106	\$1,276,249	\$577,500	\$4,643,469
Administrative Expenses							
Salaries	\$1,367,533	\$36,240	\$4,027	\$37,899	\$661,121	-	\$2,106,820
Social Security	\$127,536	\$3,380	\$376	\$3,534	\$61,656	-	\$196,482
Health Insurance	\$218,122	\$5,780	\$642	\$6,045	\$52,890	-	\$283,479
Employees Benefits Contributions	\$147,283	\$3,903	\$434	\$4,082	\$71,203	-	\$226,904
Case Management	-	-	-	-	-	\$275,000	\$275,000
Consulting & Professional Fees	\$100,000	-	-	-	\$150,000	\$250,000	\$500,000
Auditing Fees	\$45,000	-	-	\$1,200	\$7,000	\$10,000	\$63,200
Bank Fees	\$12,000	-	-	-	\$450	-	\$12,450
Insurance	\$49,500	-	-	-	-	-	\$49,500
Membership Dues & Subscriptions	\$5,000	-	-	-	\$2,000	-	\$7,000
Printing and Reproduction	\$75,000	-	-	-	\$20,000	-	\$95,000
Postage	\$25,000	-	-	-	\$5,000	-	\$30,000
Telephone	\$4,000	-	-	-	\$2,000	-	\$6,000
Maintenance and Utilities	\$80,000	-	-	-	-	-	\$80,000
Rent	\$217,629	-	-	-	\$72,210	-	\$289,839
Temporary Personnel	\$30,000	-	-	-	-	\$15,000	\$45,000
Vehicle Gas Oil & Maintenance	\$15,000	-	-	-	\$5,000	-	\$20,000
Legal	\$10,000	-	-	-	\$20,000	-	\$30,000
Staff Travel & Training	\$50,000	-	-	-	\$25,000	-	\$75,000
Board of Commissioners Travel and Training	\$5,000	-	-	-	\$5,000	-	\$10,000
Office Supplies	\$50,000	\$2,000	-	-	\$25,000	\$10,000	\$87,000
Other General Expenses - Port Out Admin	\$10,000	-	-	-	-	-	\$10,000
Computer Equipment & Software Maintenance	\$5,000	-	-	-	\$5,000	-	\$10,000
Total Operating Expenses	\$2,648,603	\$51,303	\$5,478	\$52,760	\$1,190,530	\$560,000	\$4,508,674
Operating Surplus (Deficit)	\$25,888	\$2,697	\$645	\$2,346	\$85,719	\$17,500	\$134,795



***BUDGET ANALYSIS – DETAILED OPERATING
AND NON-OPERATING BUDGET***

Fiscal Year April 1, 2011 – March 31, 2012
Cash Basis (Non-GAAP) – For Budget Presentation Only

	April	May	June	July	August	September	October	November	December	January	February	March	Total	Ratio
OPERATING REVENUES														
Administrative Fees - HCV	\$222,874	\$222,874	\$222,874	\$222,874	\$222,874	\$222,874	\$222,874	\$222,874	\$222,874	\$222,874	\$222,874	\$222,874	\$2,674,491	57.6%
Administrative Fees - DVP Program	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$4,500	\$54,000	1.2%
Mod Rehab - Joshua Thomas Apartments	\$510	\$510	\$510	\$510	\$510	\$510	\$510	\$510	\$510	\$510	\$510	\$510	\$6,123	0.1%
Mod Rehab - Jackson Hinds SRO	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$4,592	\$55,106	1.2%
DHAP IKE Admin.	\$50,417	\$50,417	\$50,417	\$50,417	\$50,417	\$50,417	\$50,417						\$302,500	6.5%
DHAP IKE - Case Management	\$45,833	\$45,833	\$45,833	\$45,833	\$45,833	\$45,833							\$275,000	5.9%
Developer Fees			\$958,898			\$50,000			\$50,000			\$25,000	\$1,083,898	23.3%
Incentive Management Fees										\$192,351			\$192,351	4.1%
Total Operating Revenues	\$328,727	\$328,727	\$1,287,625	\$328,727	\$328,727	\$378,727	\$232,477	\$232,477	\$282,477	\$424,828	\$232,477	\$257,477	\$4,643,469	100.0%
OPERATING EXPENSES														
Salaries and Benefits														
Salaries	\$175,568	\$175,568	\$175,568	\$175,568	\$175,568	\$175,568	\$175,568	\$175,568	\$175,568	\$175,568	\$175,568	\$175,568	\$2,106,820	46.7%
Social Security	\$16,373	\$16,373	\$16,373	\$16,373	\$16,373	\$16,373	\$16,373	\$16,373	\$16,373	\$16,373	\$16,373	\$16,373	\$196,482	4.4%
Health Insurance	\$23,623	\$23,623	\$23,623	\$23,623	\$23,623	\$23,623	\$23,623	\$23,623	\$23,623	\$23,623	\$23,623	\$23,623	\$283,479	6.3%
Employees Benefits Contributions	\$18,909	\$18,909	\$18,909	\$18,909	\$18,909	\$18,909	\$18,909	\$18,909	\$18,909	\$18,909	\$18,909	\$18,909	\$226,904	5.0%
Subtotal Salaries and Benefits	\$234,474	\$234,474	\$234,474	\$234,474	\$234,474	\$234,474	\$234,474	\$234,474	\$234,474	\$234,474	\$234,474	\$234,474	\$2,813,685	62.4%
General Expenses														
Consulting & Professional Services	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$62,500	\$29,167	\$29,167	\$29,167	\$29,167	\$29,167	\$29,167	\$500,000	11.1%
Case Management	\$45,833	\$45,833	\$45,833	\$45,833	\$45,833	\$45,833							\$275,000	6.1%
Auditing Fees			\$63,200										\$63,200	1.4%
Bank Service Charges	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038	\$1,038	\$12,450	0.3%
Insurance	\$49,500												\$49,500	1.1%
Membership Dues & Subscriptions	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$583	\$7,000	0.2%
Printing and Reproduction	\$2,727	\$2,727	\$65,000	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727	\$2,727	\$95,000	2.1%
Postage	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$30,000	0.7%
Telephone	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	0.1%
Maintenance and Utilities	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$6,667	\$80,000	1.8%
Rent	\$23,403	\$23,403	\$23,403	\$23,403	\$23,403	\$23,403	\$32,403	\$23,403	\$23,403	\$23,403	\$23,403	\$23,403	\$289,839	6.4%
Temporary Personnel	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$3,750	\$45,000	1.0%
Vehicle Gas Oil & Maintenance	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$1,667	\$20,000	0.4%
Legal	\$2,500	\$2,500	\$2,500											



BUDGET ANALYSIS – SUMMARY

Fiscal Year April 1, 2011 – March 31, 2012

Cash Basis (Non-GAAP) –For Budget Presentation Only

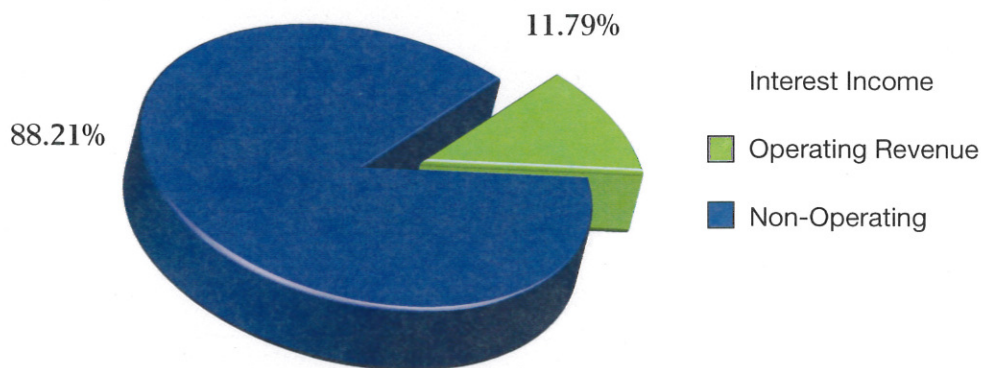
[illegible]

HARRIS COUNTY HOUSING AUTHORITY

Summary of Total Budget

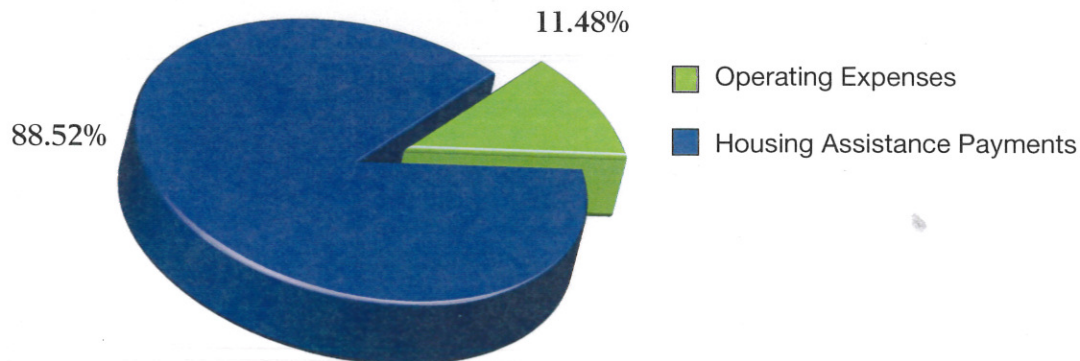
	Budget FY2012	Ratio
Revenues:		
Operating Revenue	\$4,643,469	11.79%
Non-Operating	<u>34,750,796</u>	<u>88.21%</u>
Total Revenues	\$39,394,265	100.00%

Total Revenue



	Budget FY2012	Ratio
Expenses:		
Operating Expenses	\$4,508,674	11.48%
Housing Assistance Payments	<u>34,750,796</u>	<u>88.52%</u>
Total Expenses	\$39,259,470	100.00%

Total Expense

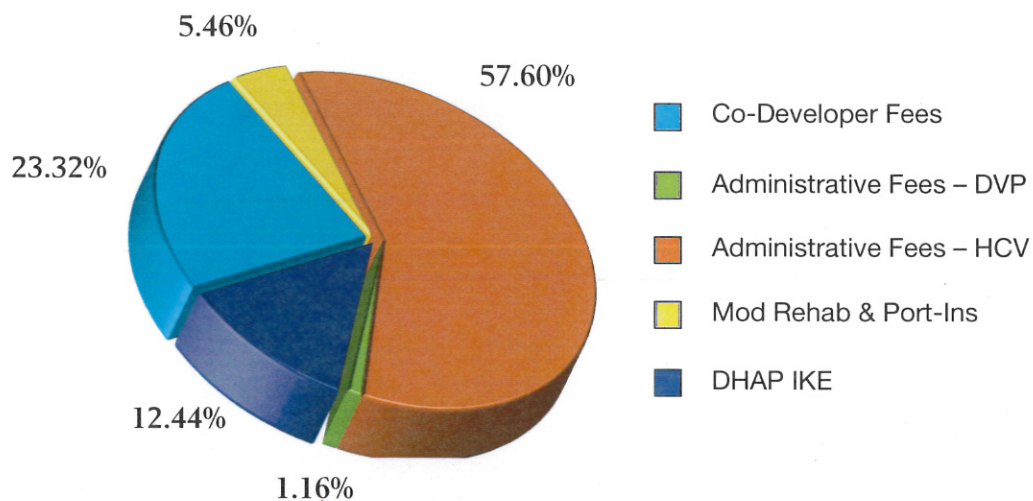


HARRIS COUNTY HOUSING AUTHORITY

Summary of Operating Revenue – Administrative Fees Earned

	<i>Amount</i>	<i>Ratio</i>
Operating Revenue		
Administrative Fees – HCV	\$2,674,491	57.60%
Administrative Fees – DVP	54,000	1.16%
DHAP IKE	577,500	12.44%
Co-Developer Fees	1,083,898	23.32%
Mod Rehab	61,299	1.32%
Other Revenue	<u>192,351</u>	<u>4.14%</u>
Total Operating Revenue	\$4,643,469	100.00%

Sources of Revenue



For fiscal year 2011 – 12, the HCHA expects to earn a total of \$ 4,643,469. The graph above portrays the breakdown of the percentages of revenue that the HCHA is expected to earn.

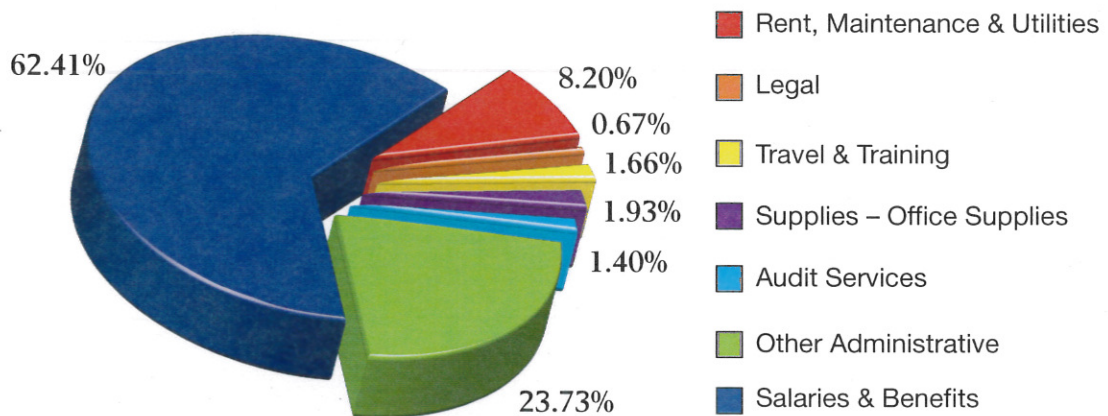
HARRIS COUNTY HOUSING AUTHORITY

Summary of Operating Expense

	Amount	Ratio
Operating Expenses:		
Salaries and Benefits	\$2,813,685	62.41%
Rent, Maintenance and Utilities	369,839	8.20%
Legal	30,000	0.67%
Travel and Training	75,000	1.66%
Supplies – Office Supplies	87,000	1.93%
Audit Services	63,200	1.40%
Other Administrative	<u>1,069,950</u>	<u>23.73%</u>
Total Operating Expenses	\$4,508,674	100.00%

The graph depicts the total operating expense for the Section 8 Program. The expense category is consistent with HUD allowable costs. A further breakdown of other administrative expenses is provided in the detailed budget.

Operating Expense



Allowable Administrative Costs

PHAs should obtain a copy of Circular A-87, *Cost Principles for State and Local Governments*, for further clarification on allowable and unallowable costs.

- HUD has in practice applied the limitations of A-87 to all HUD monies received by a PHA.
- Use of administrative fees and administrative fee reserved is controlled by A-87.

PHAs may use current-year administrative fees earned and administrative fee reserves to cover program administration expenses.

Examples of program administration expenses are:

- (1) Salaries and benefits of employees directly engaged in the administration of a Section 8 program.
- (2) Salaries and benefits of executive and support staff

- (3) Legal and accounting expenses
- (4) Travel and training
- (5) Office rent and utilities
- (6) Sundry administrative expenses, such as for office supplies, postage, telephone service, publications, membership dues and fees
- (7) Purchase of nonexpendable equipment
- (8) Maintenance and operation of non-expendable equipment
- (9) Insurance costs (usually for a Section 8 inspector's car, fidelity bonds, and errors and omissions for commissioners)
- (10) Indirect costs

BUDGET SUMMARY
HOUSING CHOICE VOUCHER (HCV)

For the Fiscal Year Ending March 31, 2012

Operating Receipts:

HUD PHA Grants – Administrative Fees	\$2,674,491
Interest Income	
Total Operating Receipt	<u>\$2,674,491</u>

Administrative Expenses:

Salaries	\$1,367,533
Social Security	127,536
Health Insurance	218,122
Employees Benefits Contributions	147,283
Consulting & Professional Services	100,000
Auditing Fees	45,000
Bank Fees	12,000
Insurance	49,500
Membership Dues & Subscriptions	5,000
Printing & Reproduction	75,000
Postage	25,000
Telephone	4,000
Maintenance and Utilities	80,000
Rent	217,629
Temporary Personnel	30,000
Vehicle Gas, Oil, and Maintenance	15,000
Legal	10,000
Staff Travel & Training	50,000
Board of Commissioners Travel & Training	5,000
Office Supplies	50,000
Other General Expenses – Port Out Admin	10,000
Computer Equipment & Software Maintenance	5,000
Total Administrative Expenses	<u>\$2,648,603</u>

Non-Routine Revenue (Expenses:)

Additions to Vehicles	-
Additions to Buildings	-
Operating Transfer: Admin Transfer	-
Total Non-Routine Expenses	<u>-</u>

Total Operating Expenses **\$2,648,603**

Operating Surplus (Deficit) \$25,888



BUDGET SUMMARY
DISASTER VOUCHER PROGRAM (DVP)

For the Fiscal Year Ending March 31, 2012

Operating Receipts:	
HUD PHA Grants – Administrative Fees	\$54,000
Interest Income	-
Total Operating Receipts	\$54,000
Administrative Expenses:	
Salaries	\$36,240
Social Security	3,380
Health Insurance	5,780
Employees Benefits Contributions	3,903
Case Management	-
Consulting & Professional Services	-
Auditing Fees	-
Sundry Items	-
Bank Service Charges	-
Insurance	-
Membership Dues & Subscriptions	-
Printing & Reproduction	-
Postage	-
Telephone	-
Maintenance and Utilities	-
Temporary Personnel	-
Vehicle Gas, Oil, and Maintenance	-
Legal	-
Staff Travel & Training	-
Board of Commissioners Travel & Training	-
Office Supplies	2,000
Other General Expenses – Port Out Admin Fees	-
Computer Equipment & Software Maintenance	-
Total Administrative Expenses	\$51,303
Non-Routine Revenue (Expenses:)	
Additions to Vehicles	-
Additions to Buildings	-
Operating Transfer: Admin Transfer from DHAP to AHD	-
Total Non-Routine Expenses	-
Total Operating Expenses	\$51,303
Operating Surplus (Deficit)	\$2,697

BUDGET SUMMARY **MOD REHAB**

For the Fiscal Year Ending March 31, 2012

Operating Receipts:

HUD PHA Grants – Administrative Fees	\$6,123
Interest Income	-
Total Operating Receipt	<u>\$6,123</u>

Administrative Expenses:

Salaries	\$4,027
Social Security	\$376
Health Insurance	\$642
Employees Benefits Contributions	\$434
Case Management	-
Consulting & Professional Services	-
Auditing Fees	-
Sundry Items	-
Bank Service Charges	-
Insurance	-
Membership Dues & Subscriptions	-
Printing & Reproduction	-
Postage	-
Telephone	-
Janitorial	-
Utility	-
Waste Disposal	-
Temporary Personnel	-
Security	-
Vehicle Gas, Oil, and Maintenance	-
Legal	-
Staff Travel & Training	-
Board of Commissioners Travel & Training	-
Office Supplies	-
Other General Expenses – Port Out Admin. Fees	-
Computer Equipment & Software Maintenance	-
Total Administrative Expenses	<u>\$5,478</u>

Non-Routine Revenue (Expenses:)

Additions to Vehicles	-
Additions to Buildings	-
Operating Transfer: Admin Transfer from AHD to HCV	-
Total Non-Routine Expenses	<u>-</u>

Total Operating Expenses	<u>\$5,478</u>
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Operating Surplus (Deficit)	<u><u>\$645</u></u>
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BUDGET SUMMARY JACKSON HINDS SRO

For the Fiscal Year Ending March 31, 2012

Operating Receipts:

HUD PHA Grants – Administrative Fees	\$55,106
Interest Income	-
Total Operating Receipt	\$55,106

Administrative Expenses:

Salaries	\$37,899
Social Security	\$3,534
Health Insurance	\$6,045
Employees Benefits Contributions	\$4,082
Case Management	-
Consulting & Professional Services	-
Auditing Fees	\$1,200
Sundry Items	-
Bank Service Charges	-
Insurance	-
Membership Dues & Subscriptions	-
Printing & Reproduction	-
Postage	-
Telephone	-
Janitorial	-
Utility	-
Waste Disposal	-
Temporary Personnel	-
Security	-
Vehicle Gas, Oil, and Maintenance	-
Legal	-
Staff Travel & Training	-
Board of Commissioners Travel & Training	-
Office Supplies	-
Other General Expenses – Port Out Admin Fees	-
Computer Equipment & Software Maintenance	-
Total Administrative Expenses	\$52,760

Non-Routine Revenue (Expenses:)

Additions to Vehicles	-
Additions to Buildings	-
Operating Transfer: Admin Transfer from AHD to HCV	-
Total Non-Routine Expenses	-

Total Operating Expenses	\$52,760
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Operating Surplus (Deficit)	\$2,346
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BUDGET SUMMARY
DISASTER HOUSING ASSISTANCE PROGRAM (DHAP)

For the Fiscal Year Ending March 31, 2012

Operating Receipts:

HUD PHA Grants – Administrative Fees	\$302,500
HUD PHA Grants – Case Management Fees	\$275,000
Interest Income	-
Total Operating Receipt	<u>\$577,500</u>

Administrative Expenses:

Salaries	-
Social Security	-
Health Insurance	-
Employees Benefits Contributions	-
Case Management	\$275,000
Consulting & Professional Services	\$250,000
Auditing Fees	10,000
Bank Fees	-
Insurance	-
Membership Dues & Subscriptions	-
Printing & Reproduction	-
Postage	-
Telephone	-
Maintenance and Utilities	-
Rent	-
Temporary Personnel	15,000
Vehicle Gas, Oil, and Maintenance	-
Legal	-
Staff Travel & Training	-
Board of Commissioners Travel & Training	-
Office Supplies	10,000
Other General Expenses – Port Out Admin Fees	-
Computer Equipment & Software Maintenance	-
Total Administrative Expenses	<u>\$560,000</u>

Non-Routine Revenue (Expenses:)

Additions to Vehicles	-
Additions to Buildings	-
Operating Transfer: Admin Transfer from AHD to HCV	-
Total Non-Routine Expenses	<u>-</u>

Total Operating Expenses	<u>\$560,000</u>
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Operating Surplus (Deficit)	<u><u>\$17,500</u></u>
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BUDGET SUMMARY **AFFORDABLE HOUSING**

For the Fiscal Year Ending March 31, 2012

Operating Receipts:	
Co-Developer Fees	\$1,083,898
Incentive Management Fees	\$192,351
Interest Income	-
Total Operating Receipt	\$1,276,249
 Administrative Expenses:	
Salaries	\$661,121
Social Security	61,656
Health Insurance	52,890
Employees Benefits Contributions	71,203
Consulting & Professional Fees	150,000
Auditing Fees	7,000
Bank Fees	450
Insurance	-
Membership Dues & Subscriptions	2,000
Printing & Reproduction	20,000
Postage	5,000
Telephone	2,000
Maintenance and Utilities	-
Rent	72,210
Temporary Personnel	-
Vehicle Gas, Oil, and Maintenance	5,000
Legal	20,000
Staff Travel & Training	25,000
Board of Commissioners Travel & Training	5,000
Office Supplies	25,000
Other General Expenses – Port Out Admin. Fees	-
Computer Equipment & Software Maintenance	5,000
Total Administrative Expenses	\$1,190,530
 Non-Routine Revenue (Expenses:)	
Additions to Vehicles	-
Additions to Buildings	-
Operating Transfer: Admin Transfer	-
Total Non-Routine Expenses	-
 Total Operating Expenses	 \$1,190,530
 Operating Surplus (Deficit)	 \$85,719

