

Housing Authority of Travis County

502 East Highland Mall Blvd.,
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SHFC Action Item #4
June 2, 2016

Resolution No. SHFC-2016-13: To Approve the 2017 Annual Budget of the Strategic Housing Finance Corporation.

WHEREAS, the Annual Budget for the Strategic Housing Finance Corporation (SHFC) for the fiscal year beginning July 1, 2016, and ending June 30, 2017 has been presented to Board members on May 5, 2016; and

WHEREAS, the Annual budget reflects the pooling and combining of both revenues and expenditures of both the Strategic Housing Finance Corporation and the Housing Authority of Travis County; and

WHEREAS, the Annual Budget as introduced reflects Total Revenues and Appropriations of \$9,220,719, and Expenditures of \$8,369,858; and

WHEREAS, the adoption of the Annual Budget includes approval of the associated *Draft Amended and Restated Interlocal Agreement* between the Housing Authority of Travis County and the Strategic Housing Finance Corporation, dated 2 June 2016; and

WHEREAS, Board members reached consensus on the Annual Budget at a public Budget Work Session on May 20, 2016.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of SHFC hereby:

1. Approves Resolution No. SHFC-2016-13,
2. Authorizes the Executive Vice President to execute all necessary documents and extensions.

Passed and approved the 2nd day of June 2016.


Ann Denton, Acting President, Board of Directors

Attested and approved as to form:


Patrick B. Howard, Executive Vice President

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Background Information:

The 2017 HATC/SHFC Proposed Consolidated Budget recommends total expenses of \$8,369,858, with an Operating Budget at \$9,220,719; the Housing Assistance Payments at \$6,119,388 (including Housing Choice Voucher and Continuum of Care); the Capital Budget at \$77,000 for the Public Housing units, Carson Creek and Manor Town; and, the SHFC and related Development/Pre-Development Operating Budget at \$1,700,000. The 2017 Proposed Budget is balanced with the use of the \$550,000 in HATC Developer Fee proceeds. This budget assumes the pooling/combining of revenues and expenditures of both HATC and SHFC, and would require the endorsement and adoption of both Boards for full execution.

Comparatively speaking, the total 2017 Proposed Budget Expenses of \$8,369,858 is more than the total 2014 and 2015 Adopted Budgets by \$550,877 or (7.0) percent and \$707,797 or (9.2) percent, respectively. Also, operating budget revenues for the core operating and rental assistance programs (the 5 developments) in 2017 are \$844,903 or (5) percent above the adopted 2015 Budget.

If approved, all full-time employees (FTEs) would receive a 3% Cost of Living (COLA) increase, and all FTEs, with the exception of the Executive Director/Executive Vice President and the Asset Manager would receive an annual incentive pay of 2.0 percent of their annual base salary, based on the outcome of their FY16 performance evaluation. This budget also calls for re-alignment/re-organization of existing staff, title changes, along with the promotion of an existing *Manager* to a *Director of Operations*. Additionally, a new position of *Director of Finance and Administration* is proposed.

Board members reviewed the Draft Budget at its 5 May 2016 Regular Meeting, and subsequently scheduled a follow-up Budget Workshop that was held on 20 May 2016. After a very thorough robust discussion regarding the proposed budget, the Board reached consensus to support the proposal.

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Requested Action:

Consideration and appropriate action regarding **Resolution No. SHFC-2016-13**: To Approve the 2017 Annual Budget of the Strategic Housing Finance Corporation.

Alternate Option:

The Board of Commissioners could elect to Not Approve the 2017 Annual Budget, as prepared.

Fiscal Impact:

See Attached Budget Summary

Attachments:

- A. FY2017 Budget Summary
- B. Draft *Amended and Restated Interlocal Agreement*

Prepared and Approved by:



Patrick B. Howard, *Executive Vice President*