



BUDGET REPORT

2022 FISCAL YEAR

Budgeting is simply balancing your expenses with your income. If they don't balance and you spend more than you make, you will have a problem. Many AGENCIES don't realize that they spend more than they earn and slowly sink deeper into debt every year.

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Since budgeting allows you to create a spending plan for LHA's money, it ensures that we will always have enough money for the things we need and the things that are important to the Board of Commissioners and Participants. Following a budget or spending plan will also keep LHA out of debt or help us work our way out of debt if we are currently in debt.

To Our Board of Commissioners

Strategic Highlights

Taking the time to create and analyze LHA's budget will offer many benefits to our agency, including these four:

1. LHA can predict when cash shortfalls may occur, enabling the staff in conjunction with the Board of Commissioners to plan in advance whether we will need to secure financing, tap into reserves or make adjustments to your payables schedule.
2. We can plan large expenditures (including Capital Expenses) more strategically, rather than being caught unprepared when these needs arise.
3. We can reduce interest and late fees expenses by planning financing needs well in advance.
4. We will have a better handle on our cash flow, which will increase our overall financial control.

Budget Highlights

Budgets that must be approved by the Board of Commissioners on November 15, 2021:

1. Central Office Cost Center (Lakeland Housing Authority Executive Office)
2. AMP 1 Public Housing (West Lake Apartments, John Wright Homes and Cecil Gober Villas)
3. Housing Choice Voucher Program (Section 8)
4. West Lake Management LLC.
5. New Organizational Chart

The Following budgets are for information only, these budgets will be presented and approved by the Owners, Partnerships and/or Investors of each community:

1. Colton Meadow Apartments
2. The Villas at Lake Bonnet

3. The Manor at West Bartow
4. Carrington Place Apartments
5. Renaissance at Washington Ridge
6. The Micro-Cottages at Williamstown

Operating Highlights

2021 Net Operating Income Forecast per Program and/or Community

1. AMP 1 Public Housing- \$0.00
2. HCV Section 8 HAP- \$0.00
3. HCV Section 8 Admin- \$0.00
4. COCC LHA Executive- \$591.38
5. West Lake Management- \$54,844.97
6. Colton Meadow Apartments- \$10,702.41
7. The Villas at Lake Bonnet- \$2,507.13
8. The Manor at West Bartow- \$95,601.25
9. Carrington Place Apartments- \$1,134.99
10. Renaissance at Washington Ridge - \$166,353.98
11. Williamstown – \$3,043.65

The combined Net Operating Income at the end of 2021 should be above **\$334,779.76** not including fees from the New Developments or business activities, the sale of the 10th Street Property and other fees scheduled to be paid during the 2022 FY.

Looking Ahead

1. What challenges and opportunities do we anticipate for the Lakeland Housing Authority?
 - a. Funding
 - b. Not having enough units
 - c. Debt
 - d. Public Housing Offline units or pending demolition
 - e. Resident Outreach to process and access LHA services online

- f. Adjust LHA's policy to safeguard employee and resident safety in COVID times
2. What are some of the needs we foresee in the community for 2022?
 - a. Public and Private Partnerships
 - b. LHA has to work with business to provide ideas
 - c. Getting residents to work
 - d. Establish Homeownership Program
 - e. Assist aging population in Polk County
 - f. Helping the disabled and underprivileged
3. What are some of the plans LHA has for 2022 to generate more income?
 - a. Expand the business activities (Landscaping/HVAC/Tree Cutting/Pre.Washing/Maintenance contracts outside LHA Portfolio. Also, West Lake Realty related services such as sale of homes)
 - b. Develop more communities
 - c. Manage new communities
 - d. More training
4. What would you the Board of Commissioners like to see LHA accomplish in 2022?
 - a. Ideas?

Sincerely,

Carlos R. Pizarro An

Carlos R. Pizarro An, PHM, AHM, M.A.
Senior Vice-President of Housing

Summary

Most Housing Experts would expect the Public Housing and Property Management industry to fall apart during the economic downturn but this was not the case with the Lakeland Housing Authority even during the Covid-19 pandemic. We were able to stabilize the agency and reduce the debt we inherited with the Public Housing Program. Revenues have increased faster than the operating expense, the operating expense is being revised constantly to make sure the Agency continue to be solvent.

The LHA Staff and the Board of Commissioners have taken measures to stop the “bleeding” of funds. The Agency’s overall return on cash and assets for the past 9 years have been the best going back 22 years.

Increasing margins within the proposed budgets and gross margins will result in more cash flow for FY 2022. This will allow West Lake Management to increase its monthly management fees to the maximum allowed under each management agreement.

The proposed 2022 budgets (Draft Format) do not include any future income from Deferred Development Fees or any sale proceeds, as these funds will be designated for future developments and job programs.