



Five Year Operating Plan Calendar Years 2013-2017

January 16, 2013

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Narrative Summary

Highlights of the 2013-2017 Operating Plan

The New York City Housing Authority (NYCHA or the Authority) Board adopted the 2013-2017 Operating Plan (the Plan) on January 16, 2013.

Over the last year NYCHA has made significant progress towards increasing future revenues, decreasing controllable administrative costs, and redirecting resources to the frontline. The prior plan (for years 2012-2016) included the phase-in over five years of over \$35 million of annual cost savings in central office and administrative functions, and redirected \$27 million annually to frontline operations. This Plan reduced central office and administrative function costs by another \$10 million annually and redirected the majority of this to fund frontline needs.

The Plan projects a *General Fund* deficit of \$13 million in 2013. This deficit is offset partially by the one-time use of \$90 million of unrestricted reserves from the surplus value created in the Mixed-Finance Federalization transaction and the planned Contract-Based Section 8 Properties transaction. Without this offset, the deficit would be \$103 million, primarily attributable to federal underfunding of public housing and increased employee entitlement costs.

For 2014-2017, the Plan projects ongoing structural operating deficits resulting from anticipated federal funding levels of approximately 92 percent of funding formula eligibility; providing NYCHA approximately \$80 million less operating subsidy than it is eligible for each year. NYCHA would not have a *General Fund* deficit in any Plan year if Congress appropriated full funding in accordance with HUD's eligibility formula. Additionally, NYCHA continues to operate over 5,500 public housing units that still receive no dedicated form of federal, state or local subsidy, thereby contributing to the deficit.

While federal revenue sources remain challenging, substantial increases in pension and other employee entitlements – costs that are “uncontrollable” in the near-term – are weighing heavily on NYCHA's cost structure.

The *General Fund* deficits projected in this Plan, outlined below, can be funded from NYCHA's existing operating reserves. However, continued reliance on already strained operating reserves to fund these deficits will result in a cumulative reserves depletion of \$205 million over the coming five years.

2013-2017 General Fund Summary

(\$ millions)	2013	2014	2015	2016	2017
<i>Revenues</i>					
Revenue from Operations	\$935	\$988	\$1,035	\$1,073	\$1,107
Other Revenues	<u>1,158</u>	<u>1,100</u>	<u>1,151</u>	<u>1,183</u>	<u>1,195</u>
Total Revenues	2,093	2,088	2,186	2,256	2,302
<i>Expenditures</i>					
Personal Service	1,207	1,247	1,275	1,289	1,315
Other Than Personal Service	<u>899</u>	<u>919</u>	<u>957</u>	<u>998</u>	<u>1,024</u>
Total Expenditures	2,106	2,166	2,232	2,287	2,339
Surplus/(Deficit)	(\$13)	(\$78)	(\$46)	(\$31)	(\$37)

Prior Plan Demonstrated a Path to “Close the Gap”

Plan NYCHA was released in December 2011 as a call to action and roadmap for preserving public housing in New York City.

The prior operating plan (for years 2012-2016) demonstrated a path to eliminate NYCHA’s structural operating deficit by 2015. The prior plan relied primarily on initiatives to increase revenues, including rent increases on households paying rent below 30 percent of their income, and cost reductions in central office support functions. In the prior plan, higher revenues and cost reductions in central office functions were used to fund additional frontline spending that benefits NYCHA’s residents and the community at large; while still eliminating the deficit by 2015.

This Plan carries forward and refines certain *Plan NYCHA* initiatives incorporated into the prior plan aimed at increasing income and redirecting administrative costs to allow for greater resource allocations toward frontline activities.

A significant additional *Plan NYCHA* initiative incorporated into this Plan is the strategy to lease undeveloped land at select infill sites to developers to generate additional income streams. By 2016, NYCHA anticipates this initiative adding over \$30 million annually to revenues. The majority of this incremental revenue is designated for transfer from the operating budget to the capital budget to enable critical capital work at NYCHA’s public housing buildings.

However, since the prior plan was adopted, NYCHA’s cost structure has sustained substantial increases due to employee entitlement programs, and there is no improvement in the federal funding outlook.

Increased Pension and Other Entitlement Costs

NYCHA is a participant in the City of New York (City) pension system. During 2012, the New York City Employees’ Retirement System (NYCERS) notified NYCHA of a substantial increase to the Authority’s required annual contributions to the pension system due to a lowering of the discount rate and other actuarial changes. As a result, NYCHA’s annual contribution to the pension system increased from \$119 million to \$150 million, a \$31 million or 26 percent increase. These higher contributions are expected to carry forward into future periods.

The higher projected pension costs, taken together with revised assumptions for higher inflationary increases to other employee entitlements including health insurance and workers’ compensation, have substantially increased NYCHA’s cost structure compared to that presented in the prior plan.

NYCHA procures its health insurance plans through the City. These costs are projected to rise about 9 percent annually in line with the City’s expectations and driven by national healthcare reforms.

NYCHA operates as a self-insurer with respect to workers’ compensation, where cost increases are driven by changes to State laws specifying minimum payment levels, collective bargaining, and also rising healthcare costs. Within the last year alone, NYCHA’s actuaries have estimated the expected 2013 losses for workers’ compensation have increased to nearly \$50 million or 25 percent over 2012 estimated losses.

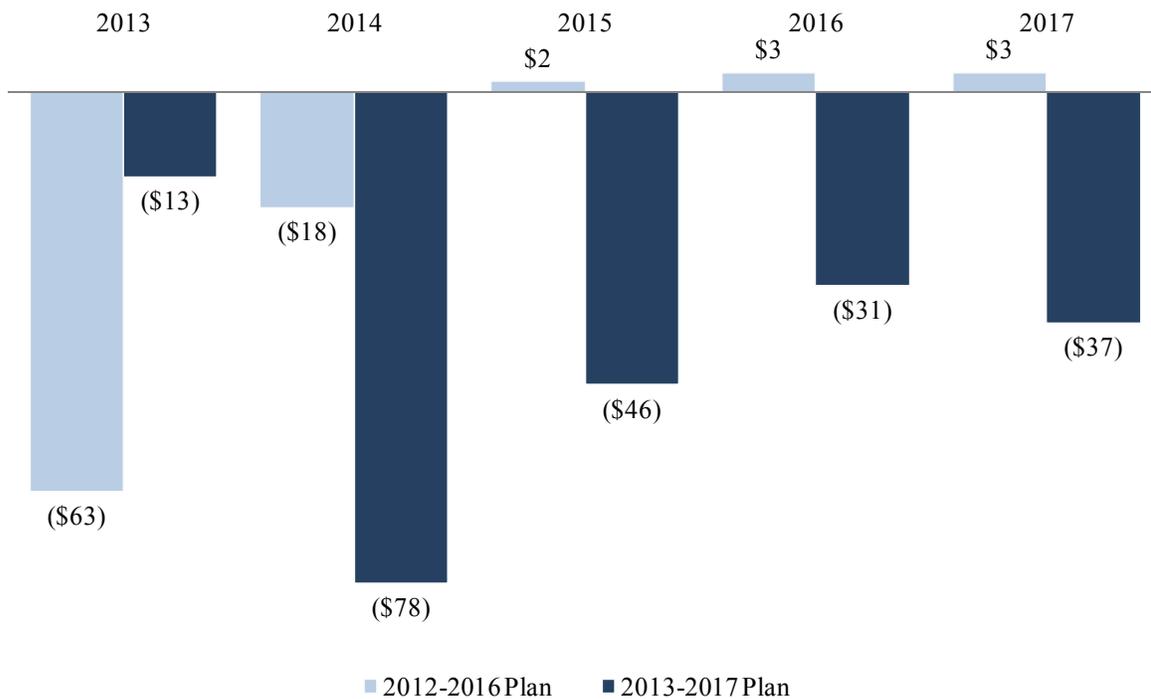
These higher expected costs, which are beyond the Authority’s ability to control in the near-term (e.g., pension cost reductions would require broader city-wide public sector pension reforms), together with continued expected underfunding of federal subsidies, leave NYCHA facing structural deficits into the foreseeable future.

Operating Deficits for Foreseeable Future

The below chart demonstrates NYCHA’s *General Fund* deficits in the Plan versus the prior plan.

General Fund Surplus/(Deficit) Prior and Current Plan

(\$ millions)



2013 General Fund Deficit

The 2013 budget for the *General Fund* estimates a deficit of \$13 million, which is \$50 million lower than the expected \$63 million 2013 deficit from the prior plan. The 2013 budget benefits by \$90 million from one-time draws on unrestricted reserves from the surplus created from the Mixed-Finance Federalization transaction and the planned Contract-Based Section 8 Properties transaction, \$65 million and \$25 million, respectively. Without these two one-time uses of unrestricted reserves, created through the successful completion of low-income housing tax credit transactions, the 2013 *General Fund* deficit would be \$103 million (due to the increase in employee entitlement costs).

The Mixed-Finance Federalization transaction was structured so that if construction rehabilitation and lease-up were successfully executed, then transaction sources would exceed

uses for NYCHA's low-income housing tax credit portfolio. Upon post-construction close-out of the final rehabilitation project and full repayment of the bridge financing, the expected surplus created in the transaction becomes unrestricted funds. The last Federalization construction project was completed as of year-end 2012, and project close-out and bridge financing repayment is expected by mid-year 2013. At that time, approximately \$65 million of surplus value created from the Federalization transaction will become unrestricted reserves and will be used to offset partially NYCHA's operating deficit for 2013. This \$65 million one-time source is shown in the *General Fund* within Other Revenues under the line item *Mixed-Finance Federalization Surplus*.

The Contract-Based Section 8 Properties transaction contemplates a low-income housing tax credit transaction for this 875 dwelling unit portfolio which currently has no outstanding mortgages. This transaction seeks to raise capital to fund critical rehabilitation work at these properties through leveraging the cash flows of the portfolio and the sale of tax credits to an equity investor. NYCHA expects the transaction to generate a \$25 million increase in the Authority's unrestricted reserves. NYCHA plans to close this transaction and begin construction before year-end 2013. The 2013 *General Fund* budget includes this expected \$25 million one-time unrestricted reserves draw to help offset partially the annual deficit.

Outlook Beyond 2013

Higher pension, healthcare and workers' compensation costs are driving an upward shift of NYCHA's cost curve over the next five years. With continued expected underfunding of the Federal eligibility formula, the Authority faces structural deficits through 2017.

Large one-time items such as the \$90 million surplus created from the aforementioned Mixed-Finance Federalization transaction and the expected Contract-Based Section 8 Property transaction cannot fully offset the rising costs. If NYCHA successfully executes on the Section 8 Phased Conversion plan to secure Section 8 assistance for the majority of the remaining unfunded 5,500 public housing units, it will still be left with a deficit. Finally, if NYCHA were to fully utilize the expected sources from its land lease strategy against rising operating costs, it would be left with a smaller, yet material deficit in the long-term.

Therefore, NYCHA must continue to seek other opportunities to generate one-time surplus value in order to offset rising costs and the structural deficit from federal underfunding. NYCHA must also continue to advocate for full funding of public housing by Congress and other governmental partners.

NYCHA faces a "perfect storm" due to the squeeze of long-term underfunding from the federal government and ever-increasing costs of public employee entitlements granted years ago. Over the last decade, NYCHA's average fully loaded cost per employee has risen 5.4 percent annually, while federal operating funding has risen only 1.8 percent annually. During the same time, NYCHA has reduced its full time headcount by nearly 3,000 from 14,547 in 2002 to 11,591 at year-end 2012 in an attempt to match costs with funding sources.

The Plan projects a similar future trend, with average fully loaded cost per employee rising 2.5 percent annually over the period, while projected federal operating funding is rising only 1.1 percent annually. And headcount will continue to decline as further efficiencies are sought in central office functions. The table below highlights the impact of these trends by comparing uncontrollable and controllable costs in the *General Fund* forecast.

Uncontrollable vs. Controllable Expenditures (General Fund)

	2013-2017 CAGR%	% of 2013 Cost Base
Uncontrollable OTPS ¹	3.7%	29%
Uncontrollable PS ²	5.6%	25%
Controllable OTPS ³	0.1%	14%
Controllable PS ⁴	-0.9%	32%

1 Uncontrollable OTPS consists of Utilities, Insurance, and Payment in Lieu of Taxes.

2 Uncontrollable PS consists of Fringe, Shift Differential, Other Salary, and Retro.

3 Controllable OTPS consists of Leases, Supplies, Equipment, Contracts, and Other OTPS.

4 Controllable PS consists of Salary FT, Salary PT, Seasonal, and OT.

Uncontrollable Personal Service costs, which consist primarily of fringe benefits and other entitlements for active and retired employees, are the fastest rising costs facing NYCHA growing 5.6% annually between 2013 and 2017. In contrast, efforts to reduce central office support function costs are driving an expected 0.9% annual decrease in controllable Personal Service costs, which consist primarily of full time salary and overtime.

Federal Operating Funding Challenges

Public housing relies heavily on federal subsidies. Federal subsidies account for approximately 40 percent of NYCHA’s *General Fund* revenues and 100 percent of NYCHA’s Section 8 HCV Program revenues. However, federal resources to operate, maintain, and preserve public housing have failed to keep pace with increasing needs and rising inflationary costs, thereby placing the portfolio at risk.

As discussed in NYCHA’s Five Year Capital Plan, the Authority receives federal capital grants for infrastructure improvements and major rehabilitation to public housing buildings. Funding for capital improvements has been in steady decline for a decade. This chronic capital funding gap has placed the public housing asset in jeopardy. As capital needs of aging buildings remain unmet, operating costs such as maintenance and repair increase, placing even greater strain on limited operating budgets.

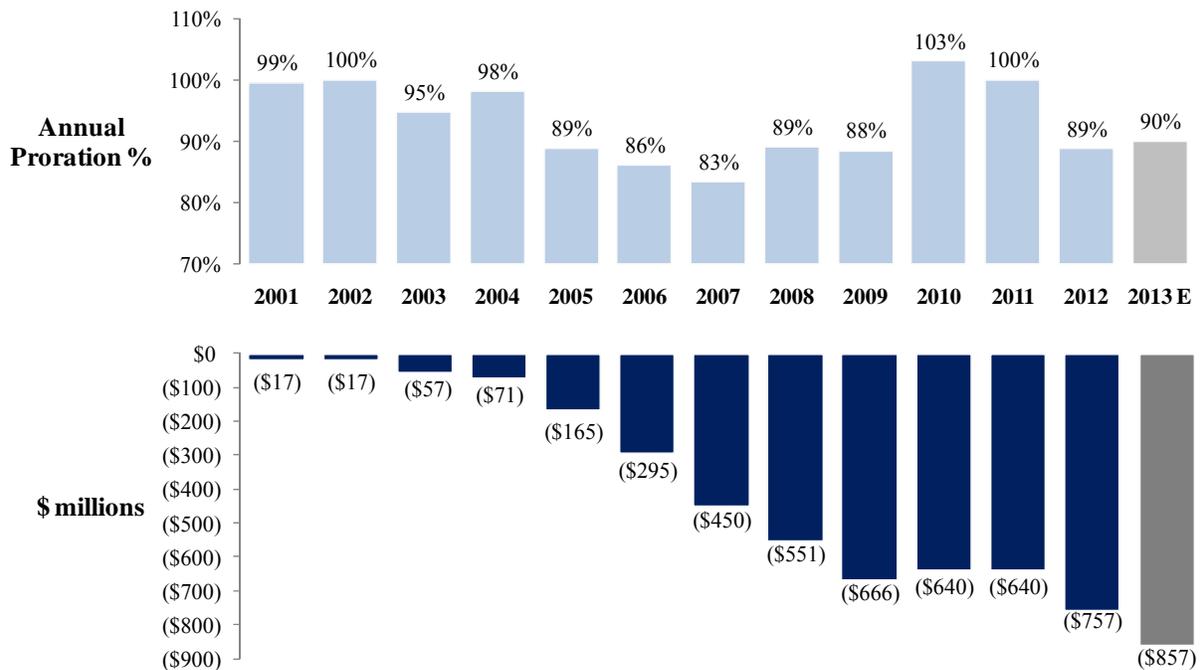
Operating budgets are separately funded by HUD from the public housing Operating Fund. The Operating Fund provides subsidies to public housing agencies nationwide for the day-to-day operations of public housing in local communities, including leasing activities, maintenance and repair, utilities, janitorial services, community services, and support function costs such as human resources and accounting.

Funding is based on the subsidy eligibility of all housing authorities and the annual federal appropriation. The eligibility formula is intended to capture the costs of operating public housing and, therefore, deliver the needed operating resources. However, if the total national eligibility exceeds the congressional appropriation, then it has been Congress’ practice to direct HUD to prorate its allocation of subsidy.

Chronic Operating Underfunding

Over the long-term, appropriations have fallen short of fully funding public housing national needs in accordance with HUD’s eligibility formula. As with the Capital Fund, the public housing operating subsidy has been chronically underfunded. Additionally, while HUD’s formula takes various factors into account, New York City has long advocated that the system is inequitable, ignoring local factors, particularly consideration of the age and height of NYCHA’s buildings, the City’s uniquely high construction costs, and higher employment costs in comparison to authorities across the US.

Annual Operating Subsidy Proration and Cumulative Funding Loss



From 2001 to 2012, proration resulted in a cumulative operating subsidy loss of over \$750 million compared to eligibility. Additionally, the volatility of funding appropriations precludes efficient and effective multi-year expenditure planning. Finally, the efficient management of NYCHA’s limited resources is complicated by the current statutory restrictions on fungibility of funding streams.

For 2012, the \$3.96 billion national appropriation was nearly \$1 billion short of eligibility, thereby providing the national operating subsidy with 80 cents for every dollar needed. HUD implemented a combination of an “operating reserves offset” and proration to distribute the \$1 billion shortfall nationally. NYCHA aggressively appealed HUD’s reserves offset, arguing that recaptured funds were in fact monies prudently set aside for the future payment of long-term liabilities, including NYCHA’s self-insurance reserves.

Nevertheless, NYCHA suffered an approximately \$70 million reserves offset in 2012, and lost an additional \$45 million of subsidy through proration. In total, NYCHA lost approximately \$115 million of funding due to the combined effects of the reserves offset and proration. This yielded an effective proration of about 89 percent for 2012. Had the “operating reserves offset” mechanism of combining an offset and proration not been applied and had only a proration been utilized to distribute the \$1 billion national shortfall, NYCHA would have been funded at an even lower amount; an approximately 80 percent proration level.

2013 Federal Funding Outlook and Sequester Risk

The President’s 2013 proposed budget for the public housing operating fund requested \$4.524 billion from Congress. While this funding level is \$560 million above the 2012 congressional appropriation, it is \$400 million short of estimates of national eligibility and suggests a 90-92 percent proration for 2013.

Appropriations bills put forth by the Senate and House sought \$4.591 billion and \$4.524 billion, respectively, which if enacted would provide funding for the President’s request.

NYCHA has based its 2013 budget on the President’s proposed budget and the two appropriations bills put forth. This suggests a federal operating funding level for 2013 of \$906 million, which is approximately \$100 million below eligibility.

2013 Federal Funding Scenarios

(\$ millions)	Full Funding to Eligibility	2013 Budget at President’s Request	Funding Under a Continuing Resolution
Proration	100%	~90%	~80%
Federal Operating Subsidy	\$1,011	\$906	\$809
General Fund Surplus/(Deficit) ¹	\$92	(\$13)	(\$110)

1. General Fund includes in income \$90 million one-time use of unrestricted reserves.

There are two separate and distinct risks to the budgeted 2013 operating subsidy.

First, the government is currently funded under a Continuing Resolution (“CR”) through March 27, 2013. The CR continues funding at FY 2012 levels, and also carries forward its language for an operating reserve offset. It is possible that rather than enact a full year appropriations bill, Congress would fund the balance of FY 2013 with an additional CR, and hopefully include a remedy for the \$1 billion anomaly.

Unless remedy language is included, this would provide HUD \$3.96 billion of funding, or approximately 80 cents for every dollar needed, and HUD would likely prorate the shortfall across all public housing authorities. Under a full year CR, NYCHA could expect 2013 funding of \$809 million and the *General Fund* deficit would grow to \$110 million.

It is worth noting that HUD has informed housing authorities that they will be funded at the expected final appropriation level of \$4.524 billion for the first three months of 2013, based on the expectation that Congress will address the funding levels in a hoped-for full-year

appropriations bill. In the same notice, HUD also cautions PHAs to spend their funds judiciously as there is risk that Congress will not increase funding levels in a full-year appropriations bill.

The other principal risk to the 2013 federal operating subsidy is the potential for a federal budget sequestration, which may result in additional proration and funding loss of 9 percent or more.

Under the 2011 Budget Control Act, a sequester of \$109 billion was to take effect January 1, 2013 allocated evenly among defense and non-defense programs. However, in addressing the fiscal cliff, including the expiration of the Bush-era tax cuts, the mandated sequester, and the looming debt-ceiling debate, on January 1, 2013, the 112th Congress extended the deadline for implementing the sequester to March 1, 2013.

The *No Budget No Pay Act of 2013* separates the issues of raising the debt ceiling and cutting Federal spending. The bill suspends the debt limit through May 18, providing Congress with three additional months to negotiate an increase to the debt limit.

NYCHA believes that the effects of sequester would be against a newly enacted appropriation at the \$4.524 billion funding level as put forth in the President's budget and the House appropriations bill. Accordingly, the 9 percent funding loss from sequestration against a new appropriation would result in an approximately similar funding level as a full year CR.

The risks of a full year CR or sequestration are not reflected in this Plan. An additional funding loss of this magnitude would negatively impact service levels as NYCHA is forced to seek spending cuts not in this Plan, and would place severe pressure on NYCHA's declining operating reserves. Indeed, each percentage point decrease in NYCHA's proration rate drives a decrease of approximately \$10 million in operating subsidy revenue.

Plan NYCHA Initiatives

The Plan continues to incorporate the impact of several *Plan NYCHA* initiatives aimed at increasing income, streamlining central office and administrative costs, and redirecting resources to strengthen frontline operations. The Authority included a substantial new *Plan NYCHA* initiative in this Plan – the strategy to lease select tracts of undeveloped land to private developers for the development of additional residential and commercial space. This initiative is expected to generate over \$30 million of lease income by 2016, the majority of which will be dedicated to the Authority’s capital projects program.

The major *Plan NYCHA* initiatives impacting this Plan are summarized below.

Implement Rent Equity Policy

Over 47,000 of NYCHA’s 175,000 public housing households pay less than 30 percent of family income towards rent, as generally required by public housing regulations. These households are referred to as “flat rent” households. In 2011, the NYCHA Board approved changes to rent policy to improve fairness in rents among public housing residents. Under this policy, which is expected to take effect in Q2 2013, rents for these flat rent households will gradually be raised up to 30 percent of family income subject to the maximum HUD-established fair market rent.

The rent equity policy is expected to yield a 4 percent compound growth in projected Tenant Rental Revenue over the Plan period, from \$917 million in 2013 to \$1.086 billion in 2017, or a total increase of \$169 million.

Secure Funding for Unsubsidized Units

NYCHA owns and operates 21 developments originally financed by the City and State of New York (City/State Developments) with approximately 20,100 housing units. In 1995, these units were brought into the federal program, but were not recognized as eligible in the funding formula. In the intervening years the City/State Developments did not receive any dedicated form of subsidy. To sustain housing for these 20,100 families, under an agreement with HUD, NYCHA was permitted to use the resources of the remaining public housing portfolio to fund the operating costs of these developments.

To partially address this disparity, under a 2008 voluntary conversion plan (VCP) approved by HUD, NYCHA was authorized to proceed with a plan to convert 8,400 public housing units at the City/State Developments to Section 8 assistance. Additionally, through the Mixed-Finance Federalization transaction completed in 2010, NYCHA succeeded in securing federal operating subsidy for 11,743 units of public housing, gaining approximately \$60 million of federal operating subsidy annually for these developments. Even with this initiative, there remain units without dedicated funding.

Of the 8,400 units covered by the VCP, less than 2,900 have been converted to Section 8 assistance as of December 31, 2012. Over 5,500 public housing units therefore still receive no dedicated form of subsidy, significantly contributing to NYCHA’s current structural operating deficit.

This Plan reflects an initiative to convert another 4,300 (of the remaining 5,500) unfunded public housing units to Section 8 assistance by implementing a conversion program beginning 2014.

Through this initiative, subsidy income for the 8,400 units is projected to more than double from \$43 million in 2013 to \$104 million in 2017, as shown in the *Section 8 Phased Conversion* budget line. NYCHA intends to work with HUD over the coming year to develop a new conversion plan.

Develop and Increase Ancillary Revenue Streams

NYCHA has historically generated a number of ancillary revenue streams from property assets. *Plan NYCHA* calls for more aggressive development and management of ancillary revenue sources leveraging the Authority's property assets and strong communities. These initiatives include improved utilization and realization of market-rate commercial property rentals, increased parking revenue, development of new advertising and sponsorship revenues, and the sublease of underutilized administrative office space.

For this Plan, other revenues are budgeted to grow from \$38 million in 2013 to \$45 million in 2017. NYCHA believes there is upside to these projections particularly with respect to advertising and sponsorship opportunities, however, to fully realize the potential will require partnership with residents and other city stakeholders.

Generate Incremental Cash Flow from Land Lease Strategy

In 2012, NYCHA announced plans to lease select tracts of undeveloped land to private developers for the development of additional residential and commercial space. A Request for Proposals is scheduled for release in 2013 seeking bids from developers for the right to develop 15 to 20 infill sites in Manhattan. NYCHA believes there is an opportunity to generate substantial predictable and recurring cash flows from these properties and others in the future under long-term land leases. NYCHA intends use funds from this initiative to principally finance capital rehabilitation work at existing public housing buildings.

Income from NYCHA's land lease strategy is projected to be \$16 million in 2015 growing to \$32 million in 2016-2017, once the cash flows mature.

Improve Central Office and Administrative Efficiency

During 2011, NYCHA performed an extensive assessment of its central office cost centers and operations administration, and identified opportunities to increase efficiency and streamline activities in certain back-office support functions. This Plan reflects initiatives through which central office and borough administrative office activities will be streamlined and resources redirected to the frontline. These efficiencies will be realized gradually over the coming four-year period through a combination of natural attrition with selective back-fill, active performance management, and potential retirement incentives.

The prior plan incorporated approximately \$35 million of annual savings (inclusive of salary and fringe) by 2016 from the streamlining of central office and administrative functions. This Plan reflects an additional approximately \$10 million of full-time administrative salary reductions when compared to the prior plan, driven by the reduction of approximately 130 budgeted positions in each year of the Plan. As discussed below in *Strengthen the Frontline*, \$6 million of these resources have been redirected and invested towards frontline needs.

Strengthen the Frontline

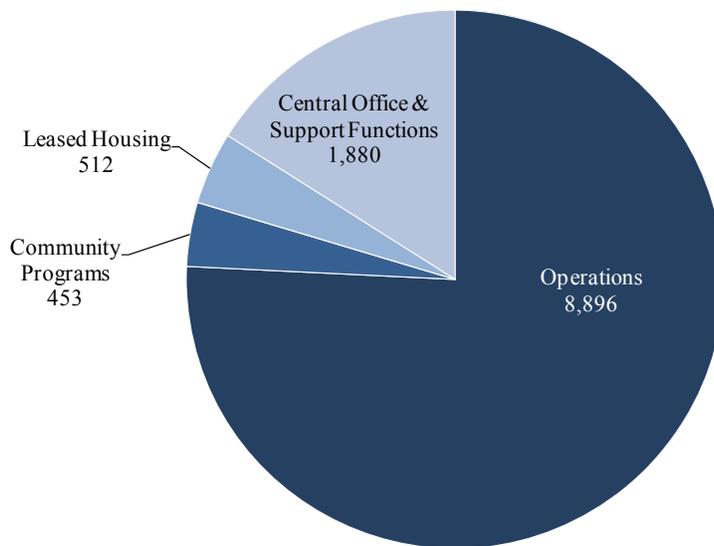
Several *Plan NYCHA* initiatives focus on new investment and redirected resources to strengthen frontline operations, including maintenance and repair work and other property-level services.

The prior plan reflected the redirection of \$27 million annually towards frontline operations from savings from central office and administrative cost reductions and other realignments.

This Plan reflects the redirection of an additional \$6 million annually from central office and other administrative functions full-time salary savings to frontline Personal Service spend.

Authorized headcount in 2013 is 11,741 full time positions. 8,896 positions or 76 percent of total positions are in Operations, where personnel directly serve NYCHA’s 400,000 public housing residents. NYCHA’s Leased Housing Department, which directly administers the Housing Choice Voucher (HCV) Program that serves over 90,000 families, and Community Programs & Development, which delivers community development services to residents, each represent another 4 percent of NYCHA’s workforce. Finally, central office and support functions account for the remaining 16 percent of NYCHA’s authorized headcount.

Authorized Headcount 2013



Total = 11,741

Note: Central Office & Support Functions includes Chair, General Manager, Capital Projects, Administration, Finance, and Information & Technology.

Invest in Maintenance & Repair

Chronic federal underfunding of public housing operating and capital budgets combined with aging buildings have contributed to a substantial backlog of repairs and deferred maintenance. NYCHA has estimated that the cost to complete deferred maintenance and repair needs of

apartment unit interiors is in the order of \$500 million, or approximately \$3,000 per unit on average.

Through funding reimbursement from the Capital Program, the prior operating plan provided \$20 million of NYCHA resources over the years 2012-2015 to address the backlog of apartment repairs. \$15 million of this funding is carried forward in this Plan with \$5 million dedicated each year in 2013-2015.

Early in 2012, the City Council committed \$10 million for City FY2013 (Plan years 2012 and 2013) to help NYCHA hire an additional 176 positions to address maintenance and repair needs. Hiring was completed using NYCHA's resident training program partnership with the Robin Hood Foundation, thereby providing opportunities for employment to additional NYCHA public housing residents.

This Plan continues to assume the funding was provided for only one City fiscal year, and therefore reflects another \$5 million of City funding in 2013 and none thereafter. NYCHA requests the City Council to renew its funding commitment throughout the Plan. If funding is renewed by the City Council these positions would be maintained into future years.

NYCHA greatly appreciates the City Council's commitment, and will continue working with its governmental partners to pursue additional funding opportunities to address maintenance and repair needs.

Superstorm Sandy

Superstorm Sandy made landfall on October 29, 2012 causing substantial damages to hundreds of NYCHA buildings principally from seawater flooding. NYCHA has completed its initial damages assessments and has commenced the insurance and FEMA claims processes. The vast majority of emergency response costs incurred to date have been funded from NYCHA's capital grants, and the expectation is that a majority of the permanent rebuilding costs will be funded from a combination of insurance and FEMA reimbursements as well as additional capital grants. The impact of non-reimbursable costs on the operating budget is expected to be immaterial, and the future cost increase in property insurance has been reflected in this Plan. The expected needs and sources for permanent rebuilding from Superstorm Sandy will be reflected in the 2013-2017 Capital Plan.

Housing Choice Voucher Program

The Housing Choice Voucher (HCV) Program, generally referred to as Section 8, assists low- and very-low income families in obtaining safe, decent, and affordable housing in the private market by providing rental subsidy. NYCHA administers the largest Section 8 program in the nation serving more than 90,000 families through a network of over 32,000 participating landlords.

NYCHA administers the program by paying HUD subsidies to participating landlords on behalf of eligible tenants. Program participants pay rent directly to the landlord generally equal to 30 percent of family adjusted income. NYCHA pays the landlord the difference towards the approved contract rent on the apartment unit, referred to as the Housing Assistance Payment, or HAP. NYCHA earns an administrative fee from HUD for administration of the program.

HUD establishes the total number of authorized vouchers for a public housing authority. Section 8 Subsidy is determined by the number of vouchers under lease and housing assistance payments made the prior year, adjusted for inflation and congressional appropriations. Section 8 Payments are primarily influenced by changes in local housing market costs and family income. Additionally, while HUD requires programs to maintain positive reserves balances, it may recapture reserves balances deemed too large. Currently, HUD recommends public housing authorities maintain approximately (but not more than) one month of HAP reserves.

Therefore, the number of vouchers that NYCHA can administer depends on current year appropriations and funding availability, changes in landlord rents, changes in family incomes, and available HAP reserves to fund any HAP in excess of current year subsidy. Program administration costs are primarily determined by labor costs and mandated program compliance activities such as annual recertification of participants and inspection of landlord apartments.

Administration of the HCV Program requires prudent stewardship over annual funding resources and program reserves.

Housing Assistance Payments (HAP)

NYCHA provides rental subsidies to landlords on behalf of eligible participants through housing assistance payments. Unused subsidies must be maintained in restricted reserves and may only be used for the issuance of additional vouchers or to pay for any shortfall in annual funding. In recent years, NYCHA's rental subsidy was dramatically underfunded as HUD implemented a recapture of housing authorities' HAP reserves. As a result, HAP reserves levels have declined to less than one month of program costs. Therefore, the number of families NYCHA can serve is primarily determined by annual appropriations, or renewal funding.

Based on estimated 2012 HAP expenditures, including accruals for incurred but unpaid HAP, NYCHA expects HAP renewal funding of \$1.010 billion in 2013. Funding is expected to modestly increase in 2014-2017 consistent with national renewal funding patterns. Increased funding is expected to allow for HAP expenditures to increase from an estimated \$996 million in 2013 to \$1.130 billion in 2017. NYCHA's rental plan projects a small HAP surplus in 2013, which will add to the restricted reserves. For 2014-2017, the Plan projects small HAP deficits, which will be funded from restricted reserves.

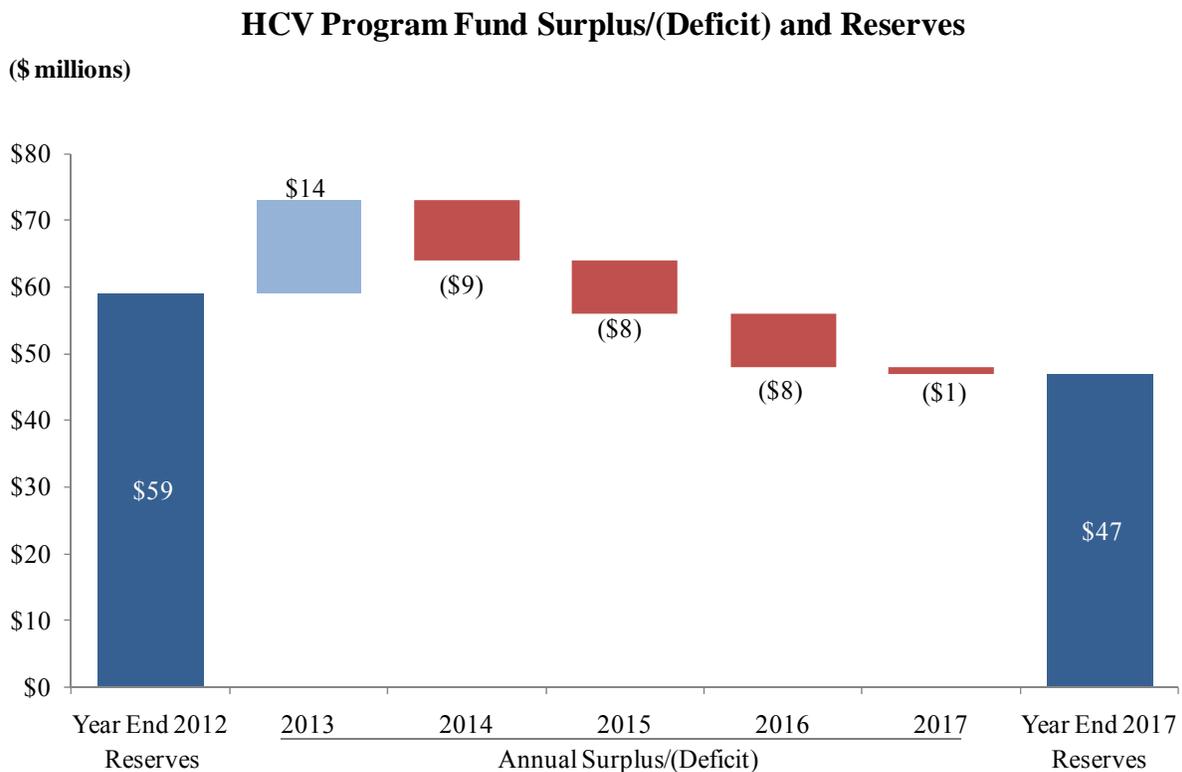
Administrative Fee

The HCV administrative fee available to NYCHA for administration of the program is subject to proration by HUD. Also, HUD requires that all HCV programs maintain adequate administrative fee reserves. In 2012, HUD applied 80 percent proration to NYCHA’s eligible administrative fee, and NYCHA expects continued administrative fee pressure in 2013 and beyond. For 2013, NYCHA estimates its administrative fee eligibility at \$91 million but expects proration to provide a fee of only \$73 million. Lower fee income combined with escalating administrative costs of managing a complex, highly regulated benefits program pressure NYCHA’s ability to administer the Section 8 program.

This Plan balances the administrative fee revenues and expenditures and maintains an appropriate level of administrative fee reserves by reducing NYCHA’s management fee, which is recognized as revenue to the *General Fund*.

HCV Program Annual Surplus/(Deficit) and Reserves

The following chart shows the projected total annual surplus and deficit of the HCV Program and program reserves.



Note: This chart combines presentation of the HAP and Administrative Fee components of the program.

Budget Line Item Discussion

This section provides explanation and analysis of the Plan by budget line item as presented in the budget tables appended to this narrative.

Basis of Presentation

Budgetary Funds

The Plan consists of three component funds:

- The *General Fund* reflects activities of frontline operations and central office and field support functions for NYCHA-owned and/or privately-managed housing, including all public housing activities;
- The *Housing Choice Voucher (HCV) Program Fund* reflects activities and administration of the Section 8 programs, including Housing Choice Voucher (HCV), Veterans Affairs Supportive Housing (VASH), and Five Year Mainstream.

The HCV Program also contributes revenues to the *General Fund* in the forms of a program management fee and housing assistance payments (HAP) to Section 8 units owned and managed by NYCHA (referred to as *Section 8 Phased Conversion*);

- The *Categorical Grants Fund* reflects all other grant programs by which NYCHA receives funding from federal, state, city, or private sources for operating and/or administering a variety of community development and benefits programs.

The *All Funds* presentation of the Plan reflects the consolidation of these three component funds with appropriate elimination of inter-fund transactions and activities.

The Plan is developed on a modified accrual basis, and thereby combines elements of accrual-basis with cash-basis budgeting. The Plan does not include provisions for non-cash expenditures including depreciation, amortization, and the non-cash costs of other post-employment benefits (OPEB).

OPEB Disclosure

This Plan includes projections only for the “pay as you go” component of OPEB. Total OPEB expense and the OPEB liability are recognized in NYCHA’s audited financial statements, which are prepared in accordance with Generally Accepted Accounting Principles. OPEB costs have continued to rise dramatically in recent years, and the expectation is for this trend to continue.

As of December 31, 2011, NYCHA faced a \$2.7 billion liability for OPEB. Similar to other governmental entities, NYCHA’s resources have not kept pace with the costs accrued. This liability remains unfunded, and given NYCHA’s financial challenges there are no significant sources to fund this liability in the foreseeable future.

General Fund Plan-to-Plan Changes

For 2013, the principal plan-to-plan change is a \$52 million increase in Fringe costs due to higher pension and other employee entitlements. The higher Fringe costs are projected to continue through 2017, contributing to the plan-to-plan increase in NYCHA's deficits.

The 2013 deficit is offset partially by the one-time use of \$90 million of unrestricted reserves from surplus value created in the Mixed-Finance Federalization transaction and the planned Contract-Based Section 8 Properties transaction.

2013-2017 General Fund Plan-to-Plan Changes

(\$ millions)	2013	2014	2015	2016	2017
Prior Plan Surplus/(Deficit)	(\$63)	(\$18)	\$2	\$3	\$3
<i>Plan-to-Plan Changes</i>					
Revenue from Operations	(\$1)	\$10	\$16	\$16	\$50
Other Revenues (Excluding Surplus Reserves)	-	(14)	8	37	48
Surplus Reserves (in Other Revenues)	90	-	-	-	-
Personal Service (Excluding Fringe)	1	(1)	(1)	(1)	(1)
Fringe	(52)	(70)	(75)	(74)	(99)
Other Than Personal Service	12	15	4	(12)	(38)
Plan-to-Plan Change	\$50	(\$60)	(\$48)	(\$34)	(\$40)
2013-2017 Plan (Deficit)	(\$13)	(\$78)	(\$46)	(\$31)	(\$37)

For 2014-2017, plan-to-plan changes in Revenue from Operations are primarily attributable to higher tenant rents from NYCHA's rent equity initiative. During 2012, HUD increased the local fair market rent (FMR) schedule to which NYCHA's rent equity initiative is pegged. This increase in the FMR yields higher expected tenant rental revenue in 2014-2017.

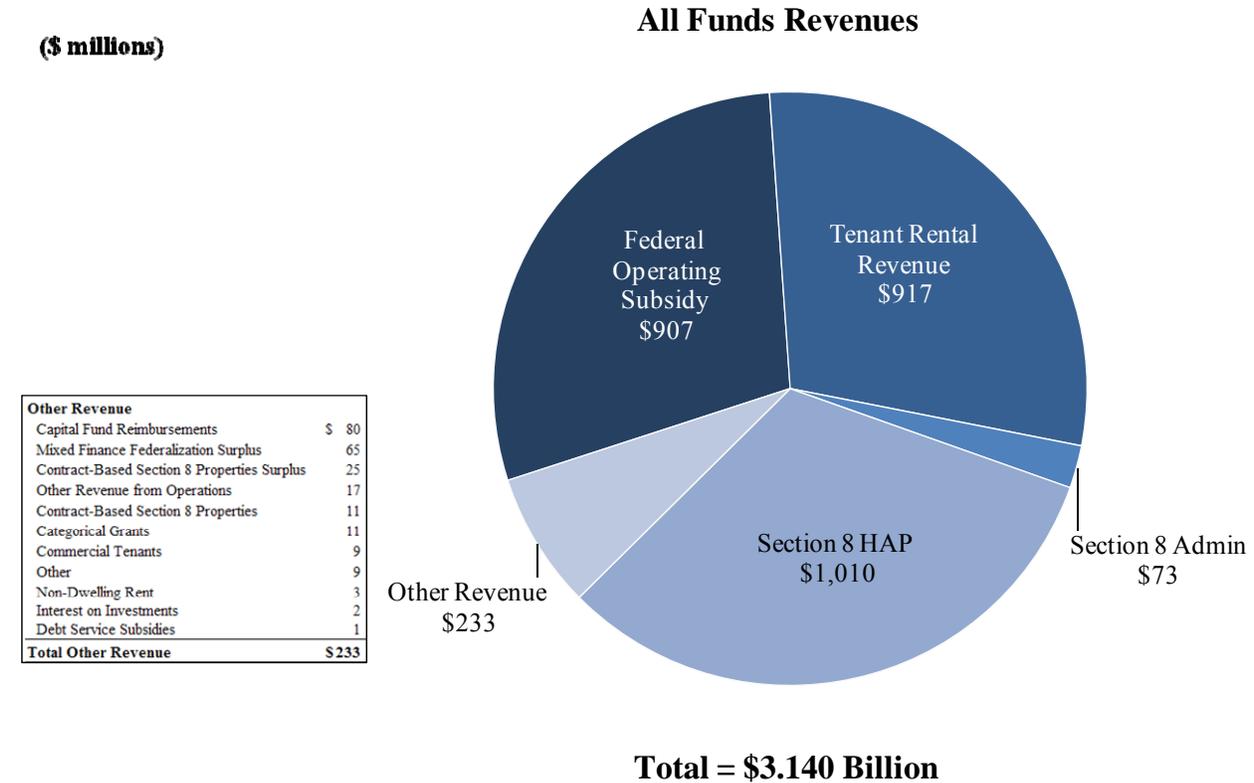
The plan-to-plan increase in Other Revenues (Excluding Surplus Reserves) is primarily due to additional income from NYCHA's land lease strategy, described previously in *Plan NYCHA Initiatives*, as well as the Section 8 Phased Conversion initiative aimed at securing funding for the unsubsidized City/State units.

Personal Service (Excluding Fringe) costs are relatively constant plan-to-plan, reflecting a \$10 million reduction in budgeted full time salaries offset by increases in uncontrollable costs such as Retro and Other Salary.

Finally, Other Than Personal Service costs are lower plan-to-plan in 2013-2015, primarily due to lower expected Utilities expenditures, and higher plan-to-plan in 2016-2017, due to the transfer from the *General Fund* to the Capital Program of the majority of the income generated from the land lease strategy.

Revenues Categories

The following chart shows by category the \$3.140 billion revenues in NYCHA’s 2013 *All Funds* operating budget:



Tenant Rental Revenue and Federal Subsidies account for 58 percent of total revenues. Section 8 Subsidy for HAP and Administrative Fees accounts for 35 percent of total revenues. The remaining 7 percent consists of many different components, but primarily Capital Fund Reimbursements (3 percent) and the two one-time draws on unrestricted surplus reserves labeled *Mixed-Finance Federalization Surplus* and *Contract-Based Section 8 Properties Surplus*.

Tenant Rental Revenue

Projected rent paid to NYCHA by residents represents 29 percent of total revenues in 2013. Rent projections are modeled at the property level based on data that includes the number of occupied units, average base rents, and collection losses. The Plan reflects the projected impact of the Board-approved rent equity policy, which is expected to take effect beginning Q2 2013.

Federal Subsidies for public housing are budgeted under Other Revenues. Accordingly, it is important to note that Tenant Rental Revenue contributes less than half of the total revenues used to cover the Authority’s public housing expenditures reflected in the *General Fund*.

This Plan projects Tenant Rental Revenue to increase from \$917 million in 2013 to \$1.086 billion in 2017, a compound growth rate of 4 percent. The rent increase is a significant driver of higher funding sources in the Plan.

Other Revenue from Operations

Other Revenue from Operations consists of ancillary fees, primarily from residents, including sales and services charges, parking fees, and appliance surcharges intended to defer a portion of the cost of excess utility consumption. Other Revenue from Operations is projected to increase from \$18 million in 2013 to \$21 million in 2017. The projected increase is primarily attributable to growing excess utility charges and increasing parking fees. Parking fees are projected to increase due to the elimination of the lower non-reserved pricing option as NYCHA converts more of its parking lots to reserved-only pricing following painting and numbering of parking lots.

Federal Subsidies

This Plan projects federal operating subsidy to increase from \$907 million in 2013 to \$948 million in 2017, a compound growth rate of 1.1 percent.

Projected operating subsidy eligibility is based on many factors including the number of eligible units, project expense levels, utility expense levels, and formula income which is based on Tenant Rental Revenue. Further, assumptions must be made about future appropriations and proration levels. Over the last decade, operating subsidy proration has averaged 92 percent.

NYCHA has based its 2013 budget on the President's proposed budget and the lower of the two appropriations bills put forth by Congress. Based on a \$4.524 billion estimated appropriation, this suggests a proration of 90-92 percent and a federal operating funding level of \$907 million, which is approximately \$100 million below eligibility.

For years 2014-2017, the Plan assumes operating subsidy proration in the low 90s. Since proration results from the appropriation process, these rates are difficult to accurately predict, but the assumed proration levels are in-line with the long-term historical average.

The risks of a full year Continuing Resolution or Congressional sequestration are not reflected in this Plan. Under each scenario NYCHA stands to lose an additional \$100 million in 2013 operating subsidy funding. Should sequestration reflect an more permanent reduction in federal funding, NYCHA would not be able to absorb these cuts without drastic changes to our operations.

Contract-Based Section 8 Properties Subsidy

NYCHA owns and operates six developments that exclusively contain project-based Section 8 units. This line reflects the HAP subsidy received for these units, and is estimated at approximately \$11 million annually. Tenant rent for these units is accounted for in *Tenant Rental Revenue*.

Section 8 Subsidy

Section 8 Subsidy represents the total of the Housing Assistance Payments (HAP) and the Administrative Fees subsidy in the *Housing Choice Voucher (HCV) Program Fund*, less the portion of HAP that is paid to the *General Fund* as subsidy for the Section 8 Phased Conversion units owned by NYCHA.

The projected subsidy reflects the expected vouchers in service in the HCV Program five-year rental plan. This takes into account the interplay of program attrition, restorations, per unit costs, any inflation factors as applied by HUD, increases permitted to building owners under the New York rent regulation, changes to the fair market rent and payment standards, funding proration, and the maintenance of required HAP and administrative fee reserves.

The Plan projects Section 8 Subsidy to increase from \$1.040 billion in 2013 to \$1.102 billion in 2017, a compound growth rate of 1.5 percent.

Section 8 Phased Conversion

Under a 2008 voluntary conversion plan approved by HUD, NYCHA was authorized to convert to Section 8 assistance up to 8,400 public housing units in the former City/State Developments which received no dedicated funding. Approximately 2,900 units have been converted as of year-end 2012, generating an estimated \$38 million of subsidy income in 2012. Over 5,500 units have not been converted to Section 8 assistance and remain without a dedicated funding source.

Securing dedicated federal funding for these remaining unfunded housing units is critical. Each unfunded housing unit operates with an implied structural deficit as the tenant rent alone is insufficient to cover the operating costs. NYCHA estimates that the 5,500 unfunded units contribute approximately \$30 million annually to the operating deficit.

This Plan reflects an initiative to accelerate conversion of approximately 4,300 (of the remaining 5,500) unfunded public housing units to Section 8 assistance by implementing a conversion program beginning 2014. Through this initiative, subsidy income from Section 8 conversions is projected to more than double from \$43 million in 2013 to \$104 million in 2017.

Categorical Grants

NYCHA receives grant awards from federal, state, city, and private sources to fund specific community development and benefits programs. The Plan reflects only grants awarded, and does not reflect anticipated awards. Categorical Grants for 2013 includes a \$7 million grant received from the New York State Department of Labor to fund the hiring of temporary workers to assist in Superstorm Sandy clean-up efforts. Categorical Grants for 2014-2017 is budgeted at less than \$4 million each year.

Capital Fund Reimbursements

Capital Fund Reimbursements are reimbursements from the federal capital program to the operating program for capital-related costs incurred in the operating budget.

This line includes the 10 percent management fee which NYCHA is permitted to charge against capital fund grants to cover Capital Program administration costs funded from the operating budget. Further, it includes the reimbursement of direct costs of frontline staff involved in designing and managing capital projects. Additionally, it includes the central office allocations

of budgeted information technology capital expenditures for projects that benefit NYCHA's frontline and central support functions. Finally, this line includes reimbursements from the Capital Program for funding the capital replacement reserves of NYCHA's mixed-finance portfolios (which are funded from the operating budget) and selected maintenance and repair work, including that funded by the City Council's \$5 million carry-over commitment.

Capital Fund Reimbursements are projected to decrease from \$80 million in 2013 to \$63 million in 2017 due primarily to lower expected reimbursement of frontline costs resulting from changes in the capital projects delivery model.

Interest on Investments

Interest on Investments represents expected earnings on cash and investments, excluding earnings on self insurance funds since the expected returns are netted against insurance costs. This revenue is projected to increase from \$2 million in 2013 to \$9 million in 2017, reflecting the low current interest rate environment and expectation of modest increases in yields over the planning period.

Other Non-Operating Revenues

NYCHA generates ancillary revenues from third parties from its property assets, including commercial storefront leases, rooftop leases (i.e., to mobile telecommunications providers), and others. This Plan projects Other Non-Operating Revenues to increase from \$20 million in 2013 to \$24 million in 2017. The increase is primarily driven by *Plan NYCHA* initiatives including new advertising and sponsorship revenues and sublease income from underutilized office space.

Land Lease Strategy

Consistent with *Plan NYCHA*, in October 2012 the Authority unveiled a strategy to lease to developers select tracts of its undeveloped land for the development of additional residential and commercial space. There will be 15 to 20 infill sites in the initial bidding. NYCHA believes that the annual cash flow that can be generated from the lease of these sites is substantial. The Request for Proposals for this initiative is expected to be released in 2013. NYCHA anticipates that leases will be signed and produce income in 2014. This Plan includes Land Lease Strategy revenues of \$16 million in 2015 growing to \$32 million in 2016-2017. These revenues are estimates and realized revenue could be significantly different in amount and timing.

This Plan dedicates the majority of projected cash flow of \$12 million in 2015 and \$28 million in 2016-2017 to perform needed capital work at its public housing buildings. This is shown in the *Transfer to Capital* line within Other Than Personal Service expenditures.

Mixed-Finance Federalization Surplus

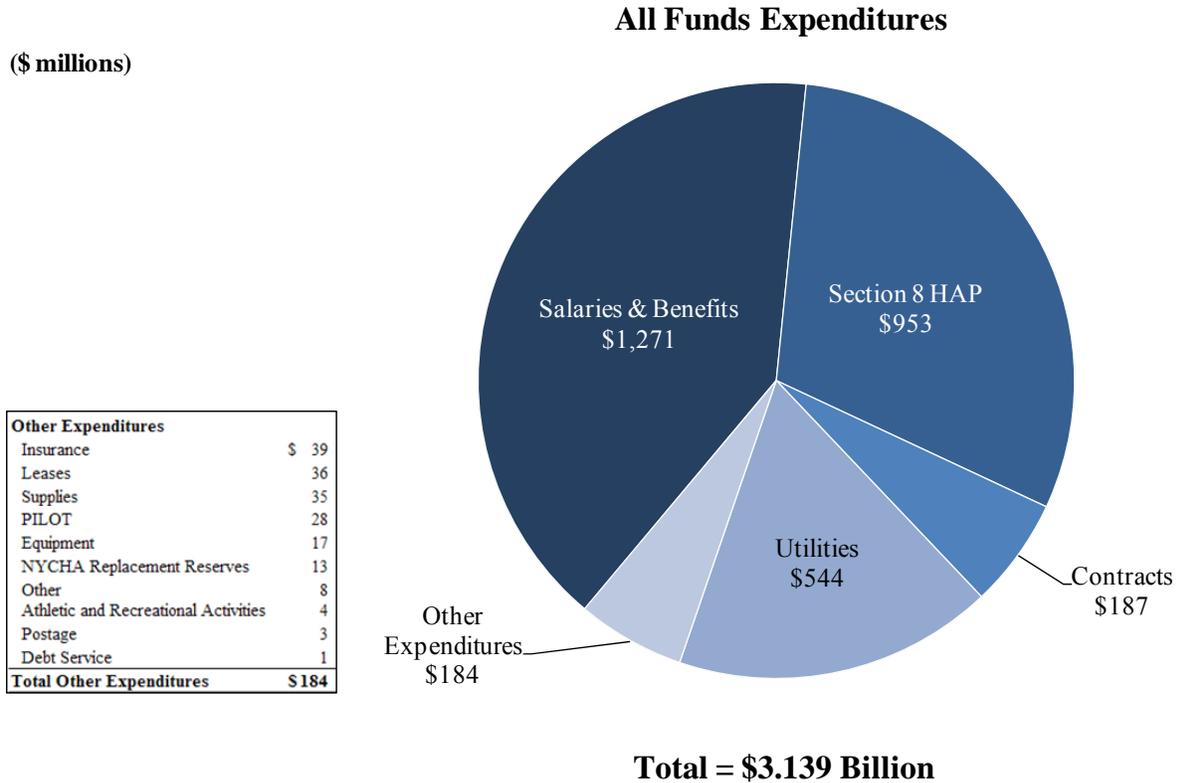
The Mixed-Finance Federalization transaction initial closing was in March 2010. The transaction was structured so that if construction rehabilitation and lease-up were successfully executed, then transaction sources would exceed uses for NYCHA's low-income housing tax credit portfolio. Upon post-construction close-out of the final rehabilitation project and full repayment of the bridge financing, the expected surplus created in the transaction becomes unrestricted funds. The last Federalization construction project was completed as of year-end 2012, and project close-out and bridge financing repayment is expected by mid-year 2013. At that time, approximately \$65 million of expected surplus value created from the transaction will become unrestricted reserves and will be used to fund NYCHA's operations and offset partially NYCHA's 2013 *General Fund* deficit.

Contract-Based Section 8 Properties Surplus

NYCHA's planned Contract-Based Section 8 Properties transaction contemplates a low-income housing tax credit transaction for this 875 dwelling unit portfolio which currently has no outstanding mortgages. This transaction seeks to raise capital to fund critical rehabilitation work at these properties through leveraging the cash flows of the portfolio and the sale of tax credits to an equity investor. NYCHA expects the transaction can be structured to generate a \$25 million increase in the Authority's unrestricted reserves. NYCHA plans to close this transaction and begin construction before year-end 2013. The 2013 budget includes this expected \$25 million one-time unrestricted reserves draw to help fund NYCHA's operations and offset partially the *General Fund* deficit.

Expenditures Categories

The following chart shows by category the \$3.139 billion expenditures in NYCHA’s 2013 *All Funds* operating budget:



Personal Service (salary, overtime, fringe, and others) accounts for 41 percent of total operating budget expenditures. HCV Assistance Payments to third parties account for 30 percent of total expenditures. Utilities account for 17 percent of total expenditures, and all other expenditures account for the remaining 12 percent.

Salary

Salary is driven by authorized headcount. While the prior plan called for 11,865 full-time positions in 2013 decreasing to 11,660 in 2016, this Plan provides for lower authorized headcount of 11,741 in 2013 decreasing to 11,524 in 2017.

The decline in authorized headcount on both a plan-to-plan basis as well as from 2013 to 2017 reflects ongoing initiatives to streamline central office and operations administrative functions. NYCHA continues to take steps to manage its “controllable” Personal Service costs and better utilize its resources. This Plan makes no changes to frontline Full Time Salary resources.

The reduction in budgeted positions in central office support functions, Community Programs & Development, and the Leased Housing Department generated approximately \$10 million of full

time salary savings annually on a plan-to-plan basis. However, the majority of these savings were redirected towards “uncontrollable” Personal Service costs such as Other Salary and Retro, and principally towards NYCHA’s frontline functions. The table below outlines the plan-to-plan changes in year-end target headcount by functional area.

2013-2017 Authorized Headcount Plan-to-Plan Changes

(Full time positions)	2013	2014	2015	2016	2017
Prior Plan Headcount	11,865	11,863	11,763	11,660	11,660
<i>Plan-to-Plan Changes</i>					
Central office support functions	(63)	(65)	(69)	(75)	(76)
Community Programs & Development	(35)	(35)	(35)	(35)	(35)
Leased Housing Department	(34)	(44)	(27)	(27)	(27)
New Categorical Grant Funded Positions	8	8	8	2	2
Total Changes	(124)	(136)	(123)	(135)	(136)
Plan Headcount (year-end target)	11,741	11,727	11,640	11,525	11,524

Full time salary expenditures are budgeted at \$637 million in 2013 and decrease gradually to \$623 million in 2017, reflecting the planned reductions of budgeted headcount in central office support and other administrative functions.

Part-time salary represents expenditures associated with part-time or temporary staff positions. Seasonal salary represents expenditures associated with the Authority’s seasonal hiring program. Other Salary includes assignment differentials, license differentials, increment payments, meal allowances, and other miscellaneous pay adjustments.

This Plan reflects no collective bargaining wage increases.

Overtime

2013 Overtime is budgeted for \$59 million, reflecting a \$10 million reduction from the 2012 budget. The \$10 million year-to-year reduction in overtime has been redirected to full time salary, providing the front line the ability to hire approximately 150 additional workers in the 2013 budget when compared to 2012. Overtime is budgeted at \$54 million for 2014-2017, a \$5 million reduction compared to 2013. Similarly, the reduction in overtime spend is redirected towards full time salary providing the front line the ability to fund approximately 75 new frontline workers.

Fringe

Fringe is projected to increase from \$537 million in 2013 to \$670 million in 2017, a compound growth rate of 6 percent. As a percentage of total Personal Service expenditures, Fringe is projected to increase from 42 percent in 2013 to 49 percent in 2017. On a plan-to-plan basis, Fringe is \$52 million higher in 2013 growing to \$99 million higher in 2017, when compared to the prior plan. The plan-to-plan increase in Fringe by itself accounts for the entire plan-to-plan increase in NYCHA’s *General Fund* deficit.

Fringe includes legally-mandated benefits including social security, unemployment, and workers’ compensation, as well as contractually-mandated benefits including health insurance, pension, welfare, and annuity for active and retired employees.

During 2012, the New York City Employees' Retirement System (NYCERS) notified NYCHA of a substantial increase to the Authority's required contributions to the pension system due to a lowering of the discount rate and other actuarial changes. These higher contributions are expected to carry forward into future periods.

The higher projected pension costs, taken together with revised assumptions for higher inflationary increases to other employee entitlements including health insurance and workers' compensation, have substantially increased NYCHA's cost structure compared to that presented in the prior plan.

NYCHA maintains a self insurance program for workers' compensation. Expenditures include contributions to the self insurance fund for estimated losses, premiums for the procurement of excess insurance, and assessments paid to the State of New York Workers' Compensation Board. The funding contributions to the self insurance program also provide for professional services of actuaries, brokers, third-party administrators, and risk management consultants. It is important to note, self insurance is significantly less expensive than third party insurance.

NYCHA expects continued increases in employee and retiree entitlement costs, particularly pension, health insurance, and workers' compensation.

Leases

NYCHA leases office space and warehouse facilities under a number of long-term operating leases. Under these leases NYCHA is generally responsible for paying operating costs including taxes and utilities. Further, a number of these leases contain rent escalation clauses during the Plan period.

The Plan projects Leases expenditures to increase from \$36 million in 2013 to \$43 million in 2017. Expenditures include moving costs in 2013 and broker costs in 2014 associated with NYCHA's initiative to consolidate employees to more efficiently utilize office space and sublease excess office space. Projected sublease income is included in *Other Non-Operating Revenues*.

Utilities

Utility expenditures, a significant component of NYCHA's operating budget, represent approximately 17 percent of total expenditures, and more importantly 26 percent of *General Fund* expenditures. Utility costs include electricity, gas, water, steam and fuel oil. NYCHA's utility spending averages over \$250 per month per housing unit. Utility costs have increased significantly over the past five years, driven by increases in electricity and water rates.

This Plan projects Utility expenditures to continue to increase from \$544 million in 2013 to \$623 million in 2017, a compound growth rate of 3 percent. Given the substantial weight of utility costs in NYCHA's overall cost structure, NYCHA will continue to work with HUD to develop mutually beneficial energy performance contracts (EPCs) that increase the funding available for energy efficient capital projects that will produce utility cost savings over time.

Insurance

Insurance expenditures include contributions to NYCHA's general liability self insurance fund for retained estimated losses, and premiums for the procurement of myriad liability, boiler and

machinery, and property insurance. The funding contributions to the self insurance program also provide for professional services of actuaries, brokers, and risk management consultants. Insurance expenditures are projected to increase from \$38 million in 2013 to \$48 million in 2017, a compound growth rate of 6 percent, principally driven by contributions to the general liability self insurance fund and by higher property insurance premiums. NYCHA expects its property insurance premiums to increase beginning 2014 reflecting the loss experience from Superstorm Sandy.

Costs associated with NYCHA's workers' compensation self insurance fund are budgeted in the *Fringe* line.

Section 8 Payments

Expenditures for Section 8 housing assistance payments are projected based on the leased housing program rental plan. This Plan projects Section 8 Payments to third parties to increase from \$953 million in 2013 to \$1.027 billion in 2017, a compound growth rate of 2 percent. Section 8 Payments to NYCHA's Section 8 Phased Conversion units eliminate in *All Funds* consolidation of the *General Fund* and *HCV Program Fund*.

Payment in Lieu of Taxes (PILOT)

NYCHA is exempt from property taxes. However, the Authority provides payments in lieu of taxes (PILOT) to the City of New York. The amounts paid vary by development and are either fixed or subject to formulas based on tenant rental revenue and utility expenditures. PILOT is projected to increase from \$28 million in 2013 to \$35 million in 2017, a compound growth rate of 6 percent. The increase in PILOT is due to tenant rental revenue increases exceeding utility expenditures increases over the planning period.

Contracts, Supplies, Equipment, and Other

Contracts includes third-party services payments for painting, floor tiling, elevator maintenance, fire safety, environmental services, marshal fees, security services, energy contracts, carting fees, automotive services, office equipment rentals and services, information technology software and hardware services, telecommunications services, lockbox fees, professional services, and others. Payments by NYCHA to the New York Police Department for services are budgeted in this line at \$70 million annually.

Supplies includes materials and supplies required for property management operations as well as administrative functions, including paints, tiles, carpentry supplies, electrical and plumbing supplies, auto repair shop supplies, uniforms, office supplies, and others.

Equipment includes telecommunications, automotive, machinery, computer hardware, grounds, tools, and other, all of which must be above NYCHA's capitalization threshold. While funded in the operating plan, these amounts are capitalized as assets.

Other includes operating budget funding of the capital replacement reserves for NYCHA's mixed-finance portfolios, postage, petty cash reimbursements, training, and a number of other miscellaneous expenditure categories.

In aggregate, these four lines are projected to decrease from \$267 million in 2013 to \$259 million in 2017 due to reductions in usage in central office and administrative functions.

2013-2017 Operating Plan

2013-2017 Operating Plan by Fund

All Funds

	2013 Budget	2014 Budget	2015 Budget	2016 Budget	2017 Budget
Revenues					
<i>Revenue from Operations:</i>					
Tenant Rental Revenue	\$917,333	\$968,346	\$1,014,825	\$1,052,721	\$1,085,938
Other Revenue from Operations	17,808	19,479	19,948	20,377	20,818
Total Revenue from Operations	\$935,141	\$987,825	\$1,034,773	\$1,073,098	\$1,106,756
<i>Other Revenues</i>					
Federal Subsidies	\$907,379	\$934,042	\$948,666	\$948,038	\$948,350
Contract-Based Section 8 Properties Subsidy	10,698	10,805	10,913	11,022	11,132
Debt Service Subsidies	724	621	525	438	360
Section 8 Subsidy	1,040,129	1,040,681	1,059,290	1,077,548	1,101,779
Section 8 Phased Conversion	42,604	54,891	73,022	91,582	103,961
Categorical Grants	11,311	3,378	3,382	3,175	3,175
Capital Fund Reimbursements	80,011	70,547	68,547	62,547	62,547
Interest on Investments	1,720	3,440	5,873	8,809	8,809
Other	20,071	19,833	21,559	23,525	23,866
Land Lease Strategy	-	-	16,200	32,400	32,400
Mixed Finance Federalization Surplus	65,000	-	-	-	-
Contract-Based Section 8 Properties Surplus	25,000	-	-	-	-
Total Other Revenues	\$2,204,647	\$2,138,238	\$2,207,977	\$2,259,084	\$2,296,379
Total Revenues	\$3,139,788	\$3,126,063	\$3,242,750	\$3,332,182	\$3,403,135
Expenditures					
<i>Personal Service:</i>					
Salary F/T	\$636,782	\$634,111	\$629,100	\$622,509	\$622,986
Salary P/T	1,765	1,765	1,765	1,765	1,816
Seasonal	13,136	8,300	8,300	3,300	3,300
Retro	2,746	2,746	2,747	2,747	2,747
Overtime	58,938	53,938	53,936	53,932	53,932
Shift Differential	1,595	1,596	1,596	1,596	1,596
Fringe	536,539	582,445	616,633	643,734	670,058
Other Salary	19,456	19,461	19,466	19,471	19,471
Total Personal Service	\$1,270,957	\$1,304,362	\$1,333,543	\$1,349,054	\$1,375,906
<i>Other Than Personal Service:</i>					
Leases	\$35,693	\$37,724	\$40,578	\$41,657	\$43,014
Supplies	35,437	35,254	35,262	35,262	35,223
Equipment	17,334	12,270	12,283	11,908	11,908
Utilities	544,327	562,333	581,366	601,623	622,971
Contracts	186,739	184,302	184,324	184,125	184,396
Insurance	38,567	41,255	43,621	46,096	48,691
Section 8 Payments	953,449	976,176	993,157	1,009,862	1,026,526
Payment in Lieu of Taxes	28,459	31,055	33,081	34,317	35,083
Debt Service	695	593	498	498	498
Other	27,821	27,814	27,897	27,998	27,845
Land Lease Strategy Transfer	-	-	12,000	28,200	28,200
Total Other Than Personal Service	\$1,868,521	\$1,908,776	\$1,964,067	\$2,021,546	\$2,064,355
Total Expenditures	\$3,139,478	\$3,213,138	\$3,297,610	\$3,370,600	\$3,440,261
Surplus/(Deficit)	\$310	(\$87,075)	(\$54,860)	(\$38,418)	(\$37,126)

New York City Housing Authority

General Fund

	2013 Budget	2014 Budget	2015 Budget	2016 Budget	2017 Budget
Revenues					
<i>Revenue from Operations:</i>					
Tenant Rental Revenue	\$917,333	\$968,346	\$1,014,825	\$1,052,721	\$1,085,938
Other Revenue from Operations	17,808	19,479	19,948	20,377	20,818
Total Revenue from Operations	\$935,141	\$987,825	\$1,034,773	\$1,073,098	\$1,106,756
<i>Other Revenues</i>					
Federal Subsidies	\$905,702	\$932,325	\$946,908	\$946,233	\$946,233
Contract-Based Section 8 Properties Subsidy	10,698	10,805	10,913	11,022	11,132
Debt Service Subsidies	724	621	525	438	360
Section 8 Phased Conversion	42,604	54,891	73,022	91,582	103,961
Section 8 Management Fee	7,073	9,142	8,291	7,948	7,011
Capital Fund Reimbursements	80,011	70,547	68,547	62,547	62,547
Interest on Investments	1,720	3,440	5,873	8,809	8,809
Other	19,111	18,863	20,583	22,540	22,788
Land Lease Strategy	-	-	16,200	32,400	32,400
Mixed Finance Federalization Surplus	65,000	-	-	-	-
Contract-Based Section 8 Properties Surplus	25,000	-	-	-	-
Total Other Revenues	\$1,157,643	\$1,100,634	\$1,150,862	\$1,183,519	\$1,195,241
Total Revenues	\$2,092,784	\$2,088,459	\$2,185,635	\$2,256,617	\$2,301,997
Expenditures					
<i>Personal Service:</i>					
Salary F/T	\$605,797	\$603,905	\$598,966	\$592,541	\$592,480
Salary P/T	1,538	1,538	1,538	1,538	1,538
Seasonal	8,286	8,286	8,286	3,286	3,286
Retro	2,733	2,733	2,734	2,734	2,734
Overtime	56,958	51,957	51,956	51,952	51,952
Shift Differential	1,594	1,595	1,595	1,595	1,595
Fringe	511,810	558,696	591,562	617,268	642,268
Other Salary	18,592	18,597	18,602	18,607	18,607
Total Personal Service	\$1,207,308	\$1,247,307	\$1,275,239	\$1,289,521	\$1,314,460
<i>Other Than Personal Service:</i>					
Leases	\$31,527	\$33,402	\$35,814	\$36,717	\$37,969
Supplies	35,155	35,154	35,163	35,163	35,124
Equipment	12,742	9,314	9,293	9,293	9,293
Utilities	544,093	562,096	581,127	601,384	622,729
Contracts	182,583	180,909	180,931	180,767	181,038
Insurance	38,417	41,094	43,449	45,913	48,496
Payment in Lieu of Taxes	28,459	31,055	33,081	34,317	35,083
Debt Service	695	593	498	498	498
Other	25,231	25,338	25,436	25,554	25,659
Land Lease Strategy Transfer	-	-	12,000	28,200	28,200
Total Other Than Personal Service	\$898,902	\$918,955	\$956,792	\$997,806	\$1,024,089
Total Expenditures	\$2,106,210	\$2,166,262	\$2,232,031	\$2,287,327	\$2,338,549
Surplus/(Deficit)	(\$13,426)	(\$77,803)	(\$46,396)	(\$30,710)	(\$36,552)

Housing Choice Voucher Program Fund

	2013 Budget	2014 Budget	2015 Budget	2016 Budget	2017 Budget
<u>Housing Assistance Payments</u>					
Revenues					
Total Housing Assistance Payments	\$1,009,790	\$1,021,795	\$1,057,715	\$1,093,736	\$1,129,913
Expenditures					
Total Section 8 Payments	\$996,053	\$1,031,067	\$1,066,179	\$1,101,444	\$1,130,487
Surplus/(Deficit)	\$13,737	(\$9,272)	(\$8,464)	(\$7,708)	(\$574)
<u>Administrative Fees</u>					
Revenues					
Operating Subsidy	\$72,943	\$73,777	\$74,597	\$75,394	\$75,827
Other	625	625	625	625	625
Total Revenues	\$73,568	\$74,402	\$75,222	\$76,019	\$76,452
Expenditures					
<i>Personal Service:</i>					
Salary F/T	\$28,839	\$28,229	\$28,167	\$28,109	\$28,109
Seasonal	14	14	14	14	14
Retro	13	13	13	13	13
Overtime	1,980	1,980	1,980	1,980	1,980
Shift Differential	1	1	1	1	1
Fringe	21,525	22,366	23,610	24,995	26,245
Other Salary	864	864	864	864	864
Total Personal Service	\$53,236	\$53,467	\$54,649	\$55,976	\$57,226
<i>Other Than Personal Service:</i>					
Leases	\$4,166	\$4,322	\$4,764	\$4,940	\$5,045
Supplies	99	99	99	99	99
Equipment	4,592	2,956	2,990	2,615	2,615
Utilities	234	237	239	239	242
Contracts	10,430	12,499	11,648	11,306	10,369
Insurance	150	161	172	183	195
Other	661	661	661	661	661
Total Other Than Personal Service	\$20,332	\$20,935	\$20,573	\$20,043	\$19,226
Total Expenditures	\$73,568	\$74,402	\$75,222	\$76,019	\$76,452
Surplus/(Deficit)	-	-	-	-	-
Total Housing Choice Voucher Program Surplus/(Deficit)					
	\$13,737	(\$9,272)	(\$8,464)	(\$7,708)	(\$574)

Categorical Grants Fund

	2013 Budget	2014 Budget	2015 Budget	2016 Budget	2017 Budget
Revenues					
Operating Subsidy	\$1,677	\$1,717	\$1,758	\$1,805	\$2,117
Categorical Grants	11,311	3,378	3,382	3,175	3,175
Other	334	343	351	360	453
Total Revenues	\$13,322	\$5,438	\$5,491	\$5,340	\$5,745
Expenditures					
<i>Personal Service:</i>					
Salary F/T	\$2,146	\$1,977	\$1,967	\$1,859	\$2,397
Salary P/T	227	227	227	227	278
Seasonal	4,836	-	-	-	-
Fringe	3,204	1,383	1,461	1,471	1,545
Total Personal Service	\$10,413	\$3,587	\$3,655	\$3,557	\$4,220
<i>Other Than Personal Service:</i>					
Supplies	\$183	-	-	-	-
Contracts	798	36	36	-	-
Other	1,928	1,815	1,800	1,783	1,525
Total Other Than Personal Service	\$2,909	\$1,851	\$1,836	\$1,783	\$1,525
Total Expenditures	\$13,322	\$5,438	\$5,491	\$5,340	\$5,745
Surplus/(Deficit)	\$0	\$0	\$0	\$0	\$0

New York City Housing Authority

General Fund Plan-to-Plan

	2013 Budget	2014 Budget	2015 Budget	2016 Budget	2017 Budget
Prior Plan Surplus/(Deficit)	(\$63,336)	(\$18,299)	\$1,679	\$3,074	\$3,074
<i>Plan-to-Plan Changes</i>					
Revenues					
<i>Revenue From Operations:</i>					
Tenant Rental Revenue	\$1,238	\$11,526	\$16,417	\$16,435	\$49,651
Other Revenue from Operations	(2,622)	(1,492)	(39)	(39)	403
Total Plan-to-Plan Change in Revenue from Operations	(\$1,384)	\$10,034	\$16,378	\$16,396	\$50,054
<i>Other Revenues</i>					
Federal Subsidies	-	(\$3,000)	(\$5,000)	(\$10,000)	(\$10,000)
Contract-Based Section 8 Properties Subsidy	93	94	95	96	206
Debt Service Subsidies	(323)	(310)	(153)	(147)	(224)
Section 8 Phased Conversion	(4,613)	(8,425)	930	17,102	29,482
Section 8 Management Fee	(1,957)	170	(865)	(1,248)	(2,185)
Capital Fund Reimbursements	3,854	(2,573)	(3,573)	(3,573)	(3,573)
Interest on Investments	-	-	-	-	-
Other	3,228	155	697	1,888	2,136
Land Lease Strategy	-	-	16,200	32,400	32,400
Mixed Finance Federalization Surplus	65,000	-	-	-	-
Contract-Based Section 8 Properties Surplus	25,000	-	-	-	-
Total Plan-to-Plan Change in Other Revenue	\$90,282	(\$13,889)	\$8,331	\$36,518	\$48,242
Total Plan-to Plan Change in Revenue	\$88,898	(\$3,855)	\$24,709	\$52,914	\$98,296
Expenditures					
<i>Personal Service:</i>					
Salary F/T	\$9,936	\$8,108	\$8,248	\$8,530	\$8,591
Salary P/T	26	26	26	26	26
Seasonal	(23)	(23)	(23)	(23)	(23)
Retro	(2,733)	(2,733)	(2,734)	(2,734)	(2,734)
Overtime	61	22	(27)	(89)	(89)
Shift Differential	1,356	1,355	1,355	1,355	1,355
Fringe	(51,749)	(69,625)	(75,495)	(74,352)	(99,352)
Other Salary	(7,562)	(7,571)	(7,576)	(7,581)	(7,581)
Total Plan-to Plan Change in Personal Service	(\$50,688)	(\$70,441)	(\$76,226)	(\$74,868)	(\$99,807)
<i>Other Than Personal Service:</i>					
Leases	\$393	(\$937)	(\$498)	(\$374)	(\$1,625)
Supplies	(4,699)	(4,694)	(4,698)	(4,697)	(4,659)
Equipment	(11,502)	(8,075)	(8,104)	(8,104)	(8,104)
Utilities	22,308	23,075	23,903	24,662	3,317
Contracts	2,789	4,460	4,491	4,646	4,375
Insurance	(466)	(954)	(1,016)	(1,079)	(3,662)
Payment in Lieu of Taxes	(1,822)	(2,790)	(3,343)	(3,392)	(4,157)
Debt Service	-	-	-	-	-
Other	4,699	4,707	4,707	4,706	4,601
Land Lease Strategy Transfer	-	-	(12,000)	(28,200)	(28,200)
Total Plan-to Plan Change in Other Than Personal Service	\$11,700	\$14,792	\$3,442	(\$11,832)	(\$38,114)
Total Plan-to Plan Change in Expense	(\$38,988)	(\$55,649)	(\$72,784)	(\$86,700)	(\$137,921)
2013 Adopted Plan Deficit	(\$13,426)	(\$77,803)	(\$46,396)	(\$30,712)	(\$36,551)

2013 Budget by Responsibility Group**By Department (All Funds)**

Department	HC	PS	OTPS	Total
<u>Chair</u>				
Chair	18	\$2,885	\$49	\$2,934
Secretary	23	2,652	165	2,817
Audit	20	2,368	45	2,413
Communications	24	5,256	81	5,337
Equal Opportunity	24	2,838	560	3,398
Inspector General	49	756	12	768
Intergovernmental Relations	5	22,659	962	23,621
Law	192	2,495	773	3,268
Total Chair	355	\$41,909	\$2,647	\$44,556
<u>General Manager</u>				
General Manager	6	\$971	\$106	\$1,077
Leased Housing	410	43,002	1,265	44,267
Development	24	2,540	77	2,617
Enterprise Program Management Office	8	3,746	508	4,254
Housing Choice Voucher Payments	-	-	953,449	953,449
Research & Management Analysis	20	1,204	48	1,252
Supply Management	182	17,546	651	18,197
Total General Manager	650	\$69,009	\$956,104	\$1,025,113
<u>Operations</u>				
EVP - Operations	12	\$1,681	\$5,462	\$7,143
VP - Operations	5	810	12	822
VP - Support Services	7	1,095	3	1,098
VP - Mixed Finance Asset Management	29	3,759	13,368	17,127
Applications & Tenancy Administration	176	16,693	56	16,749
Bronx Property Management	1,025	93,624	156,633	250,257
Brooklyn Property Management	1,480	134,544	196,567	331,111
CCTV Operations Unit	17	2,402	15	2,417
Customer Contact Center	194	15,172	653	15,825
Elevators Services & Repairs	480	64,486	99	64,585
Emergency Services	133	13,989	342	14,331
Family Services	152	15,125	725	15,850
Lease Enforcement	35	3,787	27	3,814
Maintenance, Repair & Skilled Trades	1,610	221,991	911	222,902
Management and Planning	48	4,706	25	4,731

2013 Budget by Department – All Funds (continued)

Department	HC	PS	OTPS	Total
<u>Operations (continued)</u>				
Manhattan Property Management	1,123	\$101,307	\$161,071	\$262,378
Mixed Finance Conventional	424	40,705	53,820	94,525
Non-Tax Credit LLC	135	17,325	24,325	41,650
Private Management	-	-	26,761	26,761
Quality Assurance	20	2,526	18	2,544
Queens\Staten Island Property Management	644	58,930	81,570	140,500
Section 8 - New Construction	-	-	2,459	2,459
Tax Credit LLC	295	34,856	62,896	97,752
Technical Services	903	85,539	983	86,522
Waste Management Unit	24	2,711	41	2,752
Total Operations	8,971	\$937,763	\$788,842	\$1,726,605
<u>Capital Projects</u>				
EVP - Capital Projects	3	\$567	\$10	\$577
VP - Capital Projects	7	1,241	5	1,246
Bronx/Queens Program Unit	54	6,548	57	6,605
Brooklyn/S.I. Program Unit	53	6,949	59	7,008
Capital Projects Administration	79	8,352	130	8,482
Design	92	12,210	17	12,227
Manhattan Program Unit	53	6,954	47	7,001
Technical Support	51	6,889	23	6,912
Total Capital Projects	392	49,710	348	50,058
<u>Finance</u>				
EVP - Finance	7	\$1,323	\$353	\$1,676
VP - Finance	2	373	3	376
Accounting & Fiscal Services	152	16,429	250	16,679
Budget & Financial Planning	53	5,981	44	6,025
Business and Revenue Development	6	837	1,411	2,248
Debt, Insurance & Other	-	19,966	40,443	60,409
Energy Finance & Sustainability Management	32	4,015	182	4,197
Risk Finance	10	1,247	8	1,255
Treasury	19	2,090	61	2,151
Total Finance	281	\$52,261	\$42,755	\$95,016

2013 Budget by Department – All Funds (continued)

Department	HC	PS	OTPS	Total
<u>Administration</u>				
EVP - Administration	4	\$640	\$2	\$642
Facility Planning & Administration	48	5,230	36,045	41,275
General Services	117	9,692	8,475	18,167
Human Resources	169	18,254	913	19,167
Security	20	1,972	2,051	4,023
Procedures Development & Administration	11	1,464	6	1,470
Total Administration	369	\$37,252	\$47,492	\$84,744
<u>Information & Technology</u>				
EVP - Information & Technology	11	\$1,870	\$137	\$2,007
IT - Business Solution Technology	94	14,748	87	14,835
IT - Enterprise Technology Portfolio Management	15	2,285	18	2,303
IT - Information Management	31	3,004	25	3,029
IT - Infrastructure	119	16,982	98	17,080
Technical System & Maintenance	-	-	20,755	20,755
Total Information & Technology	270	\$38,889	\$21,120	\$60,009
<u>Community Programs</u>				
EVP - Community Programs	16	\$2,491	\$1,449	\$3,940
Community Programs - Administration	44	6,136	2,169	8,305
Bronx Community Programs	66	5,328	224	5,552
Brooklyn Community Programs	118	10,204	906	11,110
Community Programs - Citywide Prog & Assess	17	1,584	3,180	4,764
Manhattan Community Programs	76	6,889	480	7,369
Office of Public Private Partnerships	6	831	248	1,079
Queens\Staten Island Community Programs	54	5,082	231	5,313
Resident Economic Empowerment & Sustainability	49	4,839	314	5,153
Resident Engagement	7	780	12	792
Total Community Programs	453	\$44,164	\$9,213	\$53,377
Total	11,741	\$1,270,957	\$1,868,521	\$3,139,478

By Development

Manhattan Borough

DEVELOPMENT	DWELLING UNITS	HC	PS BUDGET	OTPS BUDGET	TOTAL BUDGET
Amsterdam Consolidated	1,636	43	\$6,413	\$7,027	\$13,440
Baruch Consolidated	2,391	66	5,506	12,694	18,200
Campos Plaza Consolidated	493	17	1,476	2,005	3,481
Carver	1,246	36	3,175	5,224	8,399
Chelsea Consolidated	1,128	31	3,383	5,844	9,227
Clinton	749	22	1,859	3,658	5,517
Douglass Consolidated	2,350	66	5,839	9,314	15,153
Drew Hamilton Consolidated	1,336	43	5,305	6,098	11,403
Dyckman	1,167	34	3,111	3,985	7,096
East River Consolidated	2,073	58	5,016	8,795	13,811
Ft. Washington Consolidated	592	23	1,941	2,778	4,719
Fulton	944	27	2,314	5,902	8,216
Gompers Consolidated	1,504	43	3,813	6,754	10,567
Grant	1,940	48	4,368	8,558	12,926
Harlem River Consolidated	1,261	35	3,092	5,144	8,236
Isaacs Consolidated	1,322	37	3,224	5,605	8,829
Jackie Robinson Consolidated	705	22	1,936	2,741	4,677
Jefferson Consolidated	1,725	48	4,493	7,724	12,217
Johnson	1,297	38	3,547	5,210	8,757
Kings Tower Consolidated	1,865	46	3,769	6,547	10,316
La Guardia Consolidated	1,490	42	3,608	6,391	9,999
Lehman	616	22	2,107	2,667	4,774
Lincoln	1,283	37	3,101	5,662	8,763
Lower East Side Consolidated	499	20	2,085	2,714	4,799
Manhattan Borough Office	-	30	3,112	191	3,303
Manhattanville Consolidated	1,369	29	4,914	6,319	11,233
Polo Grounds Tower	1,614	45	4,141	7,278	11,419
Rangel	983	31	2,678	4,098	6,776
Riis Consolidated	1,768	48	4,089	7,547	11,636
Rutgers	721	15	1,746	3,309	5,055
Saint Nicholas	1,525	40	2,970	6,130	9,100
Samuel, Frederick (City)	664	34	1,851	3,451	5,302
Smith	1,933	48	4,651	8,233	12,884
Straus Consolidated	492	16	1,770	2,680	4,450
Taft Consolidated	1,642	45	4,227	6,394	10,621

Manhattan Borough (continued)

DEVELOPMENT	DWELLING UNITS	HC	PS BUDGET	OTPS BUDGET	TOTAL BUDGET
Vladeck Consolidated	1,767	48	4,383	6,171	10,554
Wagner Consolidated	2,196	64	5,944	7,723	13,667
Wald	1,859	50	4,784	7,130	11,914
Washington Consolidated	1,959	53	4,408	8,290	12,698
Wise Towers Consolidated	1,376	39	5,668	7,745	13,413
Various Third-party Managed Locations	445	-	-	4,766	4,766
Total	53,925	1,539	\$145,817	\$236,496	\$382,313

NOTES:

Budgets for Borough Offices resources are inclusive of floating staff.

Dwelling unit information reflects December 2012 data from Department of Research & Management Analysis.

Brooklyn Borough

DEVELOPMENT	DWELLING UNITS	HC	PS BUDGET	OTPS BUDGET	TOTAL BUDGET
Albany Consolidated	1,481	40	\$3,831	\$6,191	\$10,022
Armstrong Consolidated	617	22	2,173	3,195	5,368
Bay View	1,609	32	3,205	6,183	9,388
Borinquen Plaza Consolidated	934	34	3,045	4,212	7,257
Boulevard Consolidated	1,495	33	8,424	5,786	14,210
Breukelen	1,594	41	3,344	6,838	10,182
Brevoort	894	28	2,669	3,652	6,321
Brooklyn Borough Office	-	30	3,225	84	3,309
Brownsville	1,337	38	3,342	5,113	8,455
Bushwick Consolidated	1,429	28	3,898	5,962	9,860
Carey Gardens Consolidated	1,254	38	3,510	4,761	8,271
Cooper Park	700	24	2,085	2,728	4,813
Cypress Hills Consolidated	1,508	40	3,547	6,129	9,676
Farragut	1,389	39	3,448	5,555	9,003
Garvey Consolidated	520	21	2,006	2,396	4,402
Glenwood	1,187	35	2,932	4,623	7,555
Gowanus	1,137	36	3,079	4,419	7,498
Hope Gardens Consolidated	1,313	39	3,704	5,459	9,163
Howard Consolidation	1,812	50	4,411	7,342	11,753
Ingersoll	1,826	51	4,518	6,872	11,390
Kingsborough Consolidated	1,340	37	3,004	4,061	7,065
Lafayette	880	28	2,646	3,461	6,107
Langston Hughes Consolidation	1,027	33	2,857	3,901	6,758
Linden	1,586	36	3,364	6,802	10,166
Marcy	1,714	44	4,078	6,405	10,483
Marcy-Greene Ave A & B (Third-party Managed)	78	-	-	186	186
Marlboro	1,757	42	3,224	7,422	10,646
Ocean Hill Consolidated	613	25	2,280	2,246	4,526
O'Dwyer Gardens Consolidated	1,330	38	3,640	5,370	9,010
Park Rock Consolidated	891	31	3,005	4,144	7,149
Pennsylvania Ave - Wortman Ave Consolidated	623	24	2,253	2,493	4,746
Pink	1,500	41	4,012	5,814	9,826
Red Hook East	1,408	40	3,645	6,017	9,662
Red Hook West	1,470	39	3,301	4,947	8,248
Reid Apartments Consolidated	800	29	2,710	3,801	6,511
Roosevelt Consolidated	1,103	34	3,069	5,125	8,194
Seth Low Consolidation	975	30	2,897	3,965	6,862
Sheepshead Bay Consolidated	2,200	58	5,267	8,132	13,399
Stuyvesant Gardens Consolidated	479	21	\$1,783	\$2,040	\$3,823

Brooklyn Borough (continued)

DEVELOPMENT	DWELLING UNITS	HC	PS BUDGET	OTPS BUDGET	TOTAL BUDGET
Summer Consolidated	1,416	39	3,204	6,065	9,269
Surfside Gardens Consolidated	1,507	40	3,527	6,519	10,046
Taylor / Wythe Consolidation	1,268	48	3,743	5,244	8,987
Tompkins Consolidated	1,195	36	3,457	4,969	8,426
Unity Plaza Consolidated	1,015	35	3,229	4,953	8,182
Van Dyke I	1,603	45	4,146	6,865	11,011
Whitman	1,652	47	4,247	6,339	10,586
Williams Plaza	577	16	2,296	2,428	4,724
Williamsburg	1,628	46	4,453	6,076	10,529
Wyckoff Gardens Consolidated	1,026	34	2,967	3,851	6,818
Total	58,697	1,715	\$162,700	\$237,141	\$399,841

NOTES:

Budgets for Borough Offices resources are inclusive of floating staff.

Dwelling unit information reflects December 2012 data from Department of Research & Management Analysis.

Queens/Staten Island Borough

DEVELOPMENT	DWELLING UNITS	HC	PS BUDGET	OTPS BUDGET	TOTAL BUDGET
Astoria	1,104	34	\$3,085	\$4,982	\$8,067
Baisley Park Consolidated	1,093	35	3,566	4,668	8,234
Beach 41st St - Beach Channel Drive	712	23	2,049	3,038	5,087
Berry Consolidation	1,008	33	3,108	3,282	6,390
Forest Hills Co Op (Third-party Managed)	430	-	-	2,816	2,816
Hammel Consolidated	880	28	2,793	3,759	6,552
Latimer Gardens Consolidated	918	30	2,482	3,704	6,186
Mariner's Harbor	606	25	1,997	2,606	4,603
Ocean Bay Consolidated	1,806	50	4,604	7,952	12,556
Pomonok	2,069	55	5,203	8,539	13,742
Queens Borough Office	-	21	2,438	43	2,481
Queensbridge North	1,540	46	3,985	4,789	8,774
Queensbridge South	1,604	43	4,030	5,941	9,971
Ravenswood	2,164	55	4,776	7,657	12,433
Redfern	603	21	1,785	2,240	4,025
Richmond Terrace Consolidated	866	26	2,112	3,521	5,633
South Beach Consolidated	697	25	2,273	2,304	4,577
South Jamaica Consolidated	1,047	33	3,096	5,013	8,109
Stapleton	690	23	2,438	2,888	5,326
West Brighton Consolidated	632	23	2,079	2,457	4,536
Woodside	1,356	38	3,469	5,075	8,544
Total	21,825	667	\$61,368	\$87,274	\$148,642

NOTES:

Budgets for Borough Offices resources are inclusive of floating staff.

Dwelling unit information reflects December 2012 data from Department of Research & Management Analysis.

Bronx Borough

DEVELOPMENT	DWELLING UNITS	HC	PS BUDGET	OTPS BUDGET	TOTAL BUDGET
Adams	925	21	\$1,963	\$3,679	\$5,642
Betances Consolidated	918	31	2,860	5,284	8,144
Boston Secor Consolidation	977	37	2,963	4,270	7,233
Bronx Borough Office	-	30	2,949	75	3,024
Bronx River Consolidated	1,553	44	3,865	6,334	10,199
Butler	1,476	39	3,156	6,261	9,417
Castle Hill	2,024	47	4,197	9,072	13,269
Claremont Consolidated	740	27	2,492	3,654	6,146
Eastchester Gardens Consolidated	1,054	28	2,532	4,680	7,212
Edenwald	2,035	56	4,814	9,266	14,080
Forest Consolidation	2,031	54	4,832	8,656	13,488
Fort Independence Consolidated	575	21	2,058	2,515	4,573
Highbridge Gardens	699	21	1,916	2,770	4,686
Justice Sonia Sotomayor Consolidated	1,724	41	3,895	7,804	11,699
Marble Hill	1,682	30	3,159	6,587	9,746
Melrose Consolidated	1,241	28	2,780	5,363	8,143
Mill Brook Consolidated	1,450	38	3,363	5,854	9,217
Mitchel Consolidated	1,827	45	3,962	7,071	11,033
Monroe	1,101	31	2,732	5,332	8,064
Morris Consolidated	1,885	51	4,576	8,035	12,611
Morrisania Consolidated	1,709	43	4,188	7,436	11,624
Mott Haven	992	31	2,979	4,293	7,272
Murphy Consolidated	499	22	3,229	2,106	5,335
Parkside Consolidation	1,610	41	4,064	6,981	11,045
Patterson	1,790	45	3,767	6,925	10,692
Pelham Parkway Consolidated	1,497	37	3,464	6,296	9,760
Sack Wern Consolidated	811	25	2,331	3,730	6,061
Saint Mary's Park Consolidated	1,678	44	4,233	7,530	11,763
Sedgwick Consolidated	931	28	2,756	3,783	6,539
Soundview	1,258	36	3,446	5,616	9,062
Throggs Neck Consolidated	1,720	43	3,615	8,398	12,013
Twin Parks Consolidated	769	25	2,544	3,345	5,889
Union Ave Consolidated	911	38	3,395	4,093	7,488
Webster Consolidated	811	27	2,331	3,104	5,435
Various Third-party Managed Locations	1,600	-	-	18,993	18,993
Total	45,708	1,205	\$111,406	\$205,191	\$316,597

NOTES:

Budgets for Borough Offices resources are inclusive of floating staff.

Dwelling unit information reflects December 2012 data from Department of Research & Management Analysis.

By Community Center and Senior Center

Manhattan Borough Community Centers and Senior Centers

	HC	PS BUDGET	OTPS BUDGET	TOTAL BUDGET
<u>COMMUNITY CENTERS</u>				
Baruch CC	3	\$206	-	\$206
Campos Plaza I CC	3	258	2	260
Clinton CC	3	206	2	208
Com Ops - Manhattan	6	1,860	431	2,291
De Hostos Apts CC	3	206	2	208
Drew - Hamilton CC	3	216	2	218
East 120th St Rehab CC	-	-	2	2
East River CC	4	303	2	305
Isaacs CC	-	-	2	2
Jackie Robinson CC	3	250	1	251
King Towers CC	3	200	2	202
Lehman CC	3	215	2	217
Manhattanville CC	6	405	2	407
Riis I CC	3	215	2	217
Rutgers CC	3	229	2	231
Seward Park Ext CC	3	187	2	189
Taft CC	-	10	-	10
Wagner CC	4	294	2	296
Sub-Total Community Centers	53	\$5,260	\$460	\$5,720
<u>SENIOR CENTERS</u>				
Baruch SCC	-	-	\$1	\$1
Douglass Addition SCC	-	-	2	2
Douglass I (Bldgs 4-12,16-17) SCC	1	83	-	83
Gompers SCC	1	65	-	65
King Towers SCC	3	226	1	227
Lehman SCC	3	206	2	208
Lincoln SCC	2	136	2	138

Manhattan Borough Community Centers and Senior Centers (continued)

	HC	PS BUDGET	OTPS BUDGET	TOTAL BUDGET
<u>SENIOR CENTERS (continued)</u>				
Manhattanville SCC	1	46	2	48
Meltzer Tower SCC	2	175	2	177
Polo Grounds Tower SCC	3	210	2	212
Rangel SCC	2	164	2	166
Saint Nicholas SCC	2	128	2	130
Taft SCC	2	128	1	129
Wagner SCC	1	62	1	63
Sub-Total Senior Centers	23	\$1,629	\$20	\$1,649
Total	76	\$6,889	\$480	\$7,369

Brooklyn Borough Community Centers and Senior Centers

	HC	PS BUDGET	OTPS BUDGET	TOTAL BUDGET
<u>COMMUNITY CENTERS</u>				
Albany CC	3	\$216	\$15	\$231
Atlantic Terminal Site 4B CC	3	215	13	228
Boulevard CC	4	270	13	283
Breukelen CC	3	206	14	220
Brevoort CC	3	215	13	228
Bushwick CC	-	-	-	-
Carey Gardens CC	3	200	20	220
Com Ops - Brooklyn	8	2,194	24	2,218
Cooper Park CC	3	225	13	238
Fiorentino Plaza CC	-	-	-	-
Garvey (Group A) CC	2	176	13	189
Glenwood CC	2	153	12	165
Gravesend CC	-	-	-	-
Haber CC	-	-	6	6
Hope Gardens CC	2	153	15	168
Howard CC	1	88	13	101
Hughes Apts CC	3	216	13	229
Independence CC	4	271	14	285
Kingsborough CC	2	153	12	165
Lafayette CC	2	163	12	175
Low Houses CC	3	242	14	256
Marlboro CC	-	-	-	-
Ocean Hill Apts CC	1	119	1	120
O'Dwyer Gardens CC	3	216	12	228
Park Rock Rehab CC	-	-	-	-
Pennsylvania Ave - Wortman Ave CC	3	215	14	229
Pink CC	-	-	-	-
Red Hook East CC	4	274	14	288
Roosevelt I CC	3	216	-	216
Roosevelt II CC	-	-	12	12
Saratoga Square CC	2	153	13	166
Sheepshead Bay CC	3	215	14	229
Stuyvesant Gardens I CC	3	202	13	215
Sumner CC	-	-	-	-
Taylor St - Wythe Ave CC	-	-	-	-
Tilden CC	3	215	14	229
Tompkins CC	3	216	13	229

Brooklyn Borough Community Centers and Senior Centers (continued)

	HC	PS BUDGET	OTPS BUDGET	TOTAL BUDGET
Unity Plaza (Sites 4,5A,6,7,9,11,12,27) CC	3	206	14	220
Van Dyke I CC	3	241	15	256
Whitman CC	-	-	73	73
Williams Plaza CC	2	163	13	176
Williamsburg CC	5	402	20	422
Wyckoff Gardens CC	3	204	12	216
Sub-Total Community Centers	95	\$8,613	\$516	\$9,129
<u>SENIOR CENTERS</u>				
Armstrong I SCC	1	\$63	\$13	\$76
Brevoort SCC	-	-	17	17
Brownsville SCC	1	62	14	76
Bushwick SCC	2	119	19	138
Cooper Park SCC	1	88	16	104
Cypress Hills SCC	2	132	14	146
Farragut SCC	2	128	16	144
Garvey (Group A) SCC	1	88	16	104
Glenmore Plaza SCC	2	118	14	132
Hope Gardens SCC	1	88	-	88
Hughes Apts SCC	1	62	15	77
Independence SCC	1	88	38	126
Low Houses SCC	1	77	12	89
Palmetto Gardens SCC	-	-	33	33
Saratoga Square SCC	3	175	119	294
Stuyvesant Gardens I SCC	1	88	17	105
Sumner SCC	3	215	17	232
Sub-Total Senior Centers	23	\$1,591	\$390	\$1,981
Total	118	\$10,204	\$906	\$11,110

Queens/Staten Island Borough Community Centers and Senior Centers

	HC	PS BUDGET	OTPS BUDGET	TOTAL BUDGET
<u>COMMUNITY CENTERS</u>				
Astoria CC	4	\$314	\$2	\$316
Beach 41St St - Beach Channel Drive CC	4	306	3	309
Berry CC	3	216	16	232
Com Ops - Queens	9	1,816	30	1,846
Hammel CC	5	432	3	435
Mariner's Harbor CC	2	164	16	180
Redfern CC	-	10	-	10
Richmond Terrace CC	3	174	18	192
South Beach CC	3	215	19	234
Stapleton CC	-	10	-	10
Todt Hill CC	3	187	16	203
West Brighton I CC	5	345	19	364
Woodside CC	5	339	2	341
Sub-Total Community Centers	46	\$4,528	\$144	\$4,672
<u>SENIOR CENTERS</u>				
Astoria SCC	1	\$73	\$18	\$91
Baisley Park SCC	2	128	18	146
Bland SCC	2	164	17	181
International Tower SCC	2	127	19	146
Shelton House SCC	1	62	15	77
Sub-Total Senior Centers	8	\$554	\$87	\$641
Total	54	\$5,082	\$231	\$5,313

Bronx Borough Community Centers and Senior Centers

	HC	PS BUDGET	OTPS BUDGET	TOTAL BUDGET
<u>COMMUNITY CENTERS</u>				
Bailey Ave - West 193Rd St CC	-	\$0	\$0	\$0
Boston Secor CC	5	\$380	\$2	\$382
Butler CC	4	248	2	250
Com Ops - Bronx	5	1,137	190	1,327
Davidson CC	-	-	2	2
East 180th St - Monterey Ave CC	-	-	2	2
Ft Independence St - Heath Ave CC	4	269	2	271
Highbridge Gardens CC	3	215	-	215
Justice Sonia Sotomayor CC	4	227	5	232
Monroe CC	1	65	-	65
Murphy CC	3	215	1	216
Parkside CC	7	478	4	482
Pelham Parkway CC	-	-	1	1
Saint Mary's Park CC	3	202	3	205
Sedgwick CC	4	279	2	281
Twin Parks West (Sites 1 & 2) CC	3	206	-	206
Union Ave - East 163Rd St CC	4	269	-	269
University Ave Rehab CC	-	10	-	10
Sub-Total Community Centers	50	\$4,200	\$216	\$4,416
<u>SENIOR CENTERS</u>				
Ft Independence St - Heath Ave SCC	1	\$88	\$2	\$90
Highbridge Gardens SCC	2	127	1	128
Morrisania Air Rights SCC	3	181	1	182
Pelham Parkway SCC	6	443	1	444
Sedgwick SCC	1	88	2	90
Soundview SCC	3	201	1	202
Sub-Total Senior Centers	16	\$1,128	\$8	\$1,136
Total	66	\$5,328	\$224	\$5,552

2013-2017 Authorized Headcount

Department	2013	2014	2015	2016	2017
<u>Chair</u>					
Chair	18	18	18	18	18
Secretary	23	23	23	23	23
Audit	20	20	20	20	20
Communications	24	24	24	24	24
Equal Opportunity	24	23	23	23	23
Inspector General	49	49	49	49	49
Intergovernmental Relations	5	5	5	5	5
Law	192	192	190	188	188
Total Chair	355	354	352	350	350
<u>General Manager</u>					
General Manager	6	6	6	6	6
Leased Housing	410	400	400	400	400
Development	24	23	23	23	23
Enterprise Program Management Office	8	8	8	8	8
Research & Management Analysis	20	20	20	20	20
Supply Management	182	159	134	109	109
Total General Manager	650	616	591	566	566
<u>Operations</u>					
EVP - Operations	12	12	12	12	12
VP - Operations	5	5	5	5	5
VP - Support Services	7	7	7	7	7
VP - Mixed Finance Asset Management	29	29	29	29	29
Applications & Tenancy Administration	176	176	176	176	176
Bronx Property Management	1,025	1,041	1,041	1,041	1,041
Brooklyn Property Management	1,480	1,504	1,504	1,504	1,504
CCTV Operations Unit	17	17	17	17	17
Customer Contact Center	194	194	194	194	194
Elevators Services & Repairs	480	480	480	480	480
Emergency Services	133	133	133	133	133
Family Services	152	150	150	150	150
Lease Enforcement	35	35	35	35	35
Maintenance, Repair & Skilled Trades	1,610	1,610	1,610	1,610	1,610
Management and Planning	48	48	48	48	48
Manhattan Property Management	1,123	1,141	1,141	1,141	1,141
Mixed Finance Conventional	424	431	431	431	431
Non-Tax Credit LLC	135	135	135	135	135
Quality Assurance	20	20	20	20	20
Queens\Staten Island Property Management	644	654	654	654	654
Tax Credit LLC	295	295	295	295	295
Technical Services	903	903	903	903	903
Waste Management Unit	24	24	24	24	24
Total Operations	8,971	9,044	9,044	9,044	9,044

2013-2017 Headcount by Department (continued)

Department	2013	2014	2015	2016	2017
<u>Capital Projects</u>					
EVP - Capital Projects	3	3	3	3	3
VP - Capital Projects	7	7	7	7	7
Bronx/Queens Program Unit	54	53	51	48	48
Brooklyn/S.I. Program Unit	53	51	49	46	46
Capital Projects Administration	79	75	72	67	67
Design	92	86	78	63	63
Manhattan Program Unit	53	52	50	46	46
Technical Support	51	45	35	18	18
Total Capital Projects	392	372	345	298	298
<u>Administration</u>					
EVP - Administration	4	4	4	4	4
Facility Planning & Administration	48	48	48	48	48
General Services	117	117	117	117	117
Human Resources	169	155	141	127	127
Security	20	20	20	20	20
Procedures Development & Administration	11	11	11	11	11
Total Administration	369	355	341	327	327
<u>Finance</u>					
EVP - Finance	7	7	7	7	7
VP - Finance	2	2	2	2	2
Accounting & Fiscal Services	152	149	144	137	136
Budget & Financial Planning	53	52	51	50	50
Business and Revenue Development	6	6	6	6	6
Energy Finance & Sustainability Management	32	31	30	29	29
Risk Finance	10	10	10	10	10
Treasury	19	19	19	19	19
Total Finance	281	276	269	260	259
<u>Information & Technology</u>					
EVP - Information & Technology	11	11	11	11	11
IT - Business Solution Technology	94	89	85	81	81
IT - Enterprise Technology Portfolio Management	15	15	15	15	15
IT - Information Management	31	29	27	25	25
IT - Infrastructure	119	113	107	101	101
Total Information & Technology	270	257	245	233	233

2013-2017 Headcount by Department (continued)

Department	2013	2014	2015	2016	2017
<u>Community Programs</u>					
EVP - Community Programs	16	16	16	16	16
Community Programs - Administration	44	44	44	44	44
Bronx Community Programs	66	66	66	66	66
Brooklyn Community Programs	118	118	118	118	118
Community Programs - Citywide Prog & Assess	17	17	17	17	17
Manhattan Community Programs	76	76	76	76	76
Office of Public Private Partnerships	6	6	6	6	6
Queens/Staten Island Community Programs	54	54	54	54	54
Resident Economic Empowerment & Sustainability	49	49	49	43	43
Resident Engagement	7	7	7	7	7
Total Community Programs	453	453	453	447	447
Total	11,741	11,727	11,640	11,525	11,524