



# **Five Year Operating Plan Calendar Years 2016-2020**

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December 23, 2015

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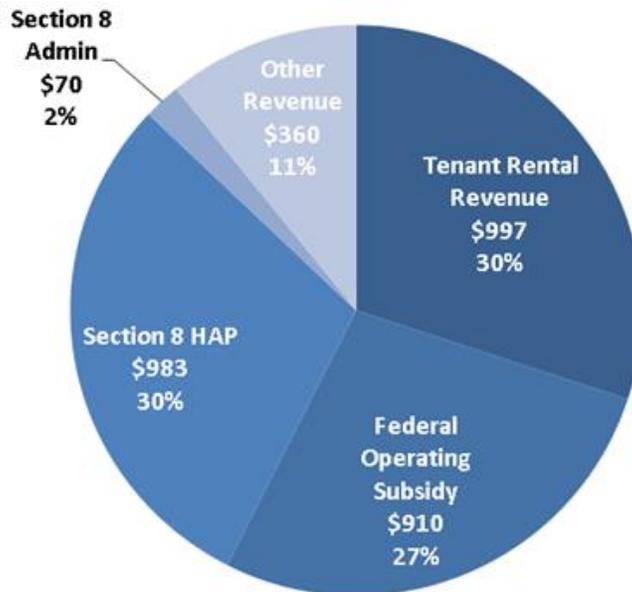
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## 2016-2020 Operating Plan

The New York City Housing Authority (NYCHA or the Authority) Board adopted the Fiscal Years (FY) 2016-2020 Operating Plan on December 23, 2015. This Five Year Plan incorporates initiatives to reduce the financial gap.

### Overview

The 2016 Plan projects an Operating deficit of \$60 million. The Operating Plan consists of three component funding sources (funds): General Funds, Housing Choice Voucher Program (HCVP) Funds and Categorical Grants Funds. The General Fund consists of the operating activity of NYCHA’s developments along with the Central Office Cost Center (COCC). The HCVP Funds reflect the administration of the Section 8 Program. The Categorical Grant Funds reflect all other grant programs by which NYCHA receives funding from federal, state, city and private sources for the administration of a variety of community developments and benefit programs. The 2016 deficit is primarily attributed to federal underfunding of public housing and increased employee entitlement costs.



While revenue is expected to increase, due to the phase in of the flat rents policy (the 2014 Appropriations Act phased in three years from June 2014-June 2017), NYCHA continues to experience a structural deficit stemming from ongoing federal underfunding, operating of (4,793) unfunded City/State public housing units, as well as mounting “uncontrollable” costs such as pension and benefits related expenses. To mitigate structural deficits, in May of 2015, NextGeneration NYCHA (NextGen) was launched, a 10-year strategic plan to protect and strengthen public housing. The plan changes how NYCHA is funded, operates, rebuilds, and engages with residents and will help the Authority overcome the challenges of declining

government funding and aging infrastructure.

**2016-2020 Operating Plan Summary**

(\$ Millions)	2016	2017	2018	2019	2020
<i>Revenues</i>					
Revenue from Operations	\$1,015	\$1,033	\$1,051	\$1,051	\$1,051
Other Revenues	2,305	2,153	2,222	2,318	2,299
<b>Total Revenues</b>	<b>\$3,320</b>	<b>\$3,186</b>	<b>\$3,274</b>	<b>\$3,369</b>	<b>\$3,349</b>
<i>Expenditures</i>					
Personnel Service	1,445	1,432	1,442	1,431	1,416
Other Than Personnel Service	1,935	1,951	1,963	1,986	1,977
<b>Total Expenditures</b>	<b>\$3,380</b>	<b>\$3,383</b>	<b>\$3,405</b>	<b>\$3,416</b>	<b>\$3,393</b>
<b>Surplus/ (Deficit)</b>	<b>(\$60)</b>	<b>(\$197)</b>	<b>(\$131)</b>	<b>(\$47)</b>	<b>(\$43)</b>

***FY 2015 Accomplishments***

In the face of financial challenges, NYCHA continues to focus on its mission of providing safe and affordable public housing, while addressing resident needs. With support from the City of New York’s current administration, and with an emphasis on safety and service levels, the following was accomplished in FY 2015:

**Government Finance Officers Association (GFOA)**

After adopting the FY 2015 Plan, NYCHA submitted its 2015 Budget Book to a panel of independent reviewers, the Government Finance Officers Association (GFOA), to examine NYCHA’s budget document. On August 2015, NYCHA’s Budget & Financial Planning Department was awarded the Distinguished Budget Presentation Award for the current fiscal year. This award is the highest form of recognition in government budgeting.

The Distinguished Budget Presentation Award program was created by the GFOA in 1984 to recognize state and local governments that prepare budget documents of the highest quality as established by the National Advisory Council on State and Local Budgeting. Housing, transportation, and any other forms of government agencies across the country can apply. This honorable award is for the transparency and accountability of the Budget. NYCHA’s goal is to repeat this accomplishment for its FY 2016 Budget, and all future budgetary publications.



From left to right: Deputy Director Tracey Smith, Deputy Director Hector Ramos, Director Georgiana Okoroji, CEO and Chair Shola Olatoye, Supervisor of Central Office Arlene Nieves, and Deputy Director Sungwoo Kim.

## Implementation of Position Budgeting & Hyperion

Several years ago, after accessing the Authority's needs and following best industry standards, NYCHA began exploring options on budgeting software that would provide dynamic, robust and transparent systems. Understanding the value of integration with NYCHA's existing financial software platform (Oracle), the decision was made to implement Hyperion (an Oracle software) as a logical solution as an add-on via use of an existing structure.

Working with various departments throughout the organization, NYCHA successfully launched its Hyperion system in FY 2015. While the processes and the mechanisms for the non-position system were fully implemented, it was decided that additional time was needed to employ a position budgeting process. This included overhauling of the Personnel Action Requests (PAR) processes, NYCHA's hiring process, establishing title-based budgeting procedures, assigning accurate position-level information and creating necessary reporting mechanisms for approval.

Position budgeting will be able to help address the following goals:

- Establish and regulate budget by position in order to identify title / function of positions by area and associated compensation;
- Determine benefits expenses specific to positions;
- Provide quick access to detailed position information at the lowest level;
- Project and evaluate the implications of each position;
- Publish detailed budget books and reports via Oracle Hyperion Financial Reporting.

FY 2016 will be a challenging year where everyone across the organization will transition to the new hiring process. Ultimately, the goal of this new system is to provide department heads and property managers with information about the availability of resources and positions to help assess the necessity of required personnel actions.

## NextGeneration (NextGen) NYCHA

May 2015, NYCHA launched NextGeneration (NextGen) NYCHA. NextGen NYCHA is a multi-faceted, long-term, strategic investment and planning process that will explore creative ways of how public housing can be sustained for the next generation of New Yorkers. It intends to be an inclusive process that will seek input from NYCHA residents, administrators and managers, and community partners. This year, NYCHA rolled out targeted strategies. The following transpired during this program's first year:

### *Achieve short-term financial stability and diversify funding*

NYCHA's immediate goals are to increase financial sustainability to continue to provide proper services to our residents. We intend to do this by reducing our costs and by looking for ways to increase current and new revenue sources.

### Improving Rent Collection Performance

Since the release of the NextGen NYCHA plan NYCHA launched several initiatives aimed at improving rent collection, such as automated rent-payment reminder notices and calls. NYCHA is also working closely with the Human Resources Administration to provide rental assistance as part of the eviction intervention. Other efforts will include partnerships with community based organizations to provide financial education and coaching services to prevent rent delinquency.

### Reduce Central office Costs

As part of NYCHA's efforts to eliminate its structural operating deficit, it must reduce central office costs. It will do so by transferring responsibility for certain central office functions, as well as some NYCHA staff and job titles, to the City agencies that perform similar functions. The efficiencies that result from that City-NYCHA integration along with realignment of operations will allow NYCHA to reduce its central office staff further by attrition. Neither the transfers nor the attrition will impact service levels at the front-line to ensure service quality to residents.

In June of 2015, NYCHA transitioned 24 Community Centers along with 56 staff to the Department of Youth & Community Development (DYCD). NYCHA is also looking for ways to reduce our current operating costs through supplies and contracts reductions. The 2016 plan includes a 2 % reduction across all central office departments' discretionary contracts and supplies, where possible. Through these cumulative strategies, NYCHA hopes to achieve \$90 million in savings annually.

### Housing Grant

In support of the City's efforts to combat homelessness, NYCHA has been setting aside public housing units and Section 8 vouchers for NYC homeless families. In 2014, NYCHA provided 865 public housing units and 291 Section 8 project based units to homeless families – a total of 1,156 families and 3,589 total residents. From January through October 2015, NYCHA issued keys to 1,650 additional homeless families. Starting in 2016, NYCHA will set aside an additional 750 public housing units for homeless families in each of the next five years.

Combined with the Authority's existing commitment to place 750 homeless families in public housing and 500 families through voucher programs, this will result in 2,000 total homeless placements each year. In exchange for the 750 additional units, the City will provide NYCHA with grant funds to house homeless families. Each unit will be funded for 5 years with a monthly grant of \$1000, with a 2 % inflator annually. This will bring NYCHA an additional \$142 million between 2016- 2020.

### ***(Re)Build***

NYCHA's extensive portfolio, including buildings and open spaces, holds enormous untapped potential to improve the lives of residents and the Authority's financial position and provide more affordable housing resources in the City. The strategies below could accelerate the completion of critical system, building, and apartment repairs and could reduce NYCHA's capital needs.

#### **Increase Affordable Housing**

In July, NYCHA and HPD released a "Request for Proposal" (RFP) for potential developers to expand 100 percent affordable housing opportunities. at three NYCHA developments, including Ingersoll (Fort Greene, Brooklyn), Van Dyke (Brownsville, Brooklyn) and Mill Brook (Mott Haven, the Bronx.) The plan to create affordable senior and family housing on underused NYCHA property was the outcome of an extensive and meaningful planning process with hundreds of residents and community advocates. NYCHA intends to retain rights to the land developed through a long term ground lease and provide critical oversight to the project. NYCHA also stipulated that the developers are to train, hire, and engage NYCHA residents on a regular basis as the project progresses and give residents preference for 25 percent of the units.

#### **Reinvest**

The NextGen Neighborhoods initiative was formed to generate revenue to reinvest into developments, and across NYCHA, by leveraging a 50-50 split of market- rate and affordable units built on underutilized NYCHA lands. In September, residents and stakeholders engagements started NextGen Neighborhoods at the Holmes Towers and Wyckoff Gardens developments.

### ***Operate as an efficient landlord***

NYCHA is first and foremost a landlord. The Authority must provide better customer service and property management for its residents.

#### **Localize decision-making**

Enacted in January 2015, the Authority's Optimal Property Management Operating Model (OPMOM) is empowering property managers at 18 developments spanning 22,386 units to build their own budgets, hire their own staff, and purchase materials from the central office. The program aims to maximize customer service through efficiency and quality of service. The pilot is an effort to move away from a one-size-fits-all approach toward a localization of control at the property level, in which property managers are empowered to make customized, data-driven, real-time decisions. OPMOM property managers have received enhanced training and support to

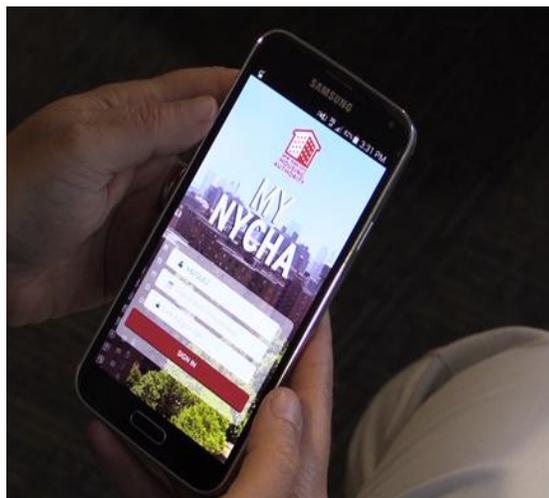
provide better service to residents. This program has been successful in reducing work order repair times which continue to trend downward. Between January and December of 2015, the maintenance work orders average completion time improved from 21 days to 8 days, a decrease of 63 percent. Current participating developments include: Howard, Seth Low, Langston Hughes, Unity Plaza, Van Dyke, Brownsville, Tilden, Woodson, East River, Jefferson, Wagner, Lincoln, Wilson, Mill Brook, Patterson, Mott Haven, Mitchel, and Melrose Houses.

### **Transparency and Metrics**

NYCHA has increased transparency by updating its webpage, to include NYCHA's Metrics (showcasing Service levels and vacancy rates by development), summaries of buildings' existing conditions (Physical Needs Assessment), contract disclosures (details on all open capital construction contracts), and the publicizing of award results. In June, NYCHA also implemented an initiative to improve its inventory management and procurement systems. The Supply Chain & Inventory overhaul identified \$114 thousand worth of window guards and window balances collected from warehouses. NYCHA distributed 65 percent (or \$75 thousand) of the stock to the developments for use. In July 2015, in order to continue improving the Authority's Inventory Control System, NYCHA formed an external group, which includes participation from NYCHA, The U.S. Department Housing and Urban Development (HUD), the NYC Comptroller's Office, and independent supply chain experts.

### **MyNycha App**

NYCHA's digital transformation will allow the Authority to increase administrative efficiency and reduce costs while providing public housing residents, with improved customer service and better access to their data. In September, NYCHA launched a mobile app, named MyNYCHA, for residents to create, submit, track, and update maintenance service requests. This app improves customer service by allowing NYCHA residents to view alerts, outages, and schedule inspections at any time. The mobile app, available to residents twenty four hours a day, seven days a week, helps reduce the need to call NYCHA's Customer Contact Center (CCC) for questions or services requests. More than 3,300 residents subscribed for NYCHA alerts within its first thirty days going live.



My NYCHA mobile app

### **Improve Residents Safety**

In 2014, The Mayor’s Action Plan (MAP) for Neighborhood Safety, a multi-agency effort, was launched to reduce crime and strengthen neighborhoods of 15 NYCHA developments with the highest violent crime rates in public housing. 15 developments account for nearly 20 percent of all violent crime in public housing: Boulevard, Brownsville, Bushwick, Butler, Castle Hill, Ingersoll, Patterson, Polo Grounds, Queensbridge, Red Hook, St. Nicholas, Stapleton, Tompkins, Van Dyke, and Wagner.

In collaborating with the City of New York’s plan to improve safety, temporary exterior lighting was installed at 15 MAP developments with the highest violent crime rate beginning in July 2014. The current plan has 184 temporary light towers at 19 locations.

On March 1, 2016, in conjunction with the Mayor’s Office of Criminal Justice (MOCJ), and the Office of Management and Budget (OMB), NYCHA will initiate a light study to assess the impact of lighting on crime in NYCHA developments. NYCHA will be responsible for installing and maintaining the temporary light towers, and submitting light tower data to the Crime Lab at the University of Chicago. A total of 400 towers will be installed at 40 NYCHA developments.

Additionally, Building upon MAP, in December 2014, Manhattan District Attorney Cyrus Vance directed \$89 million of bank forfeiture funds for security improvements in those same 15 NYCHA developments. These resources support camera installations with connection to the NYPD network, exterior lighting, new doors, layered access, and additional public safety programming. Thus far, permanent exterior lighting has been installed at the Polo Grounds development. The total program is expected to be completed in 2018.



Bedford Stuyvesant, Brooklyn NY 11206 - Temporary lights September, 2014

### **One-Call Initiative**

In August, five NYCHA development sites were enabled to use the “one call” pilot program. This program will allow residents and property managers to schedule necessary components of repair projects with one call, instead of making multiple calls for one repair. As of the result of the pilot, approximately 350 units have had an average of 70 multi-skilled trade jobs scheduled. The pilot intends to improve customer service and shorten the time to complete repairs, and avoid unnecessary delays between open and closed work tickets related to a project.

### **Recycling Program**

The Recycling Program is an initiative launched in April 2015 to improve sustainability and reduce NYCHA’s carbon footprint: by providing adequate bins, signage and storage area for recyclables at every development. As of February 1<sup>st</sup> 2016, recycling stations have been installed at 107 developments by the Maintenance & Skilled Trades Department. NYCHA’s Resident Engagement Department also contributed to the initial success of the program by conducting resident outreach meetings to discuss the importance of recycling. As of late November 2015, approximately 39 developments had held these outreach meetings.



Linden Houses, Brooklyn NY 11207 - Recycling Bins April, 2015

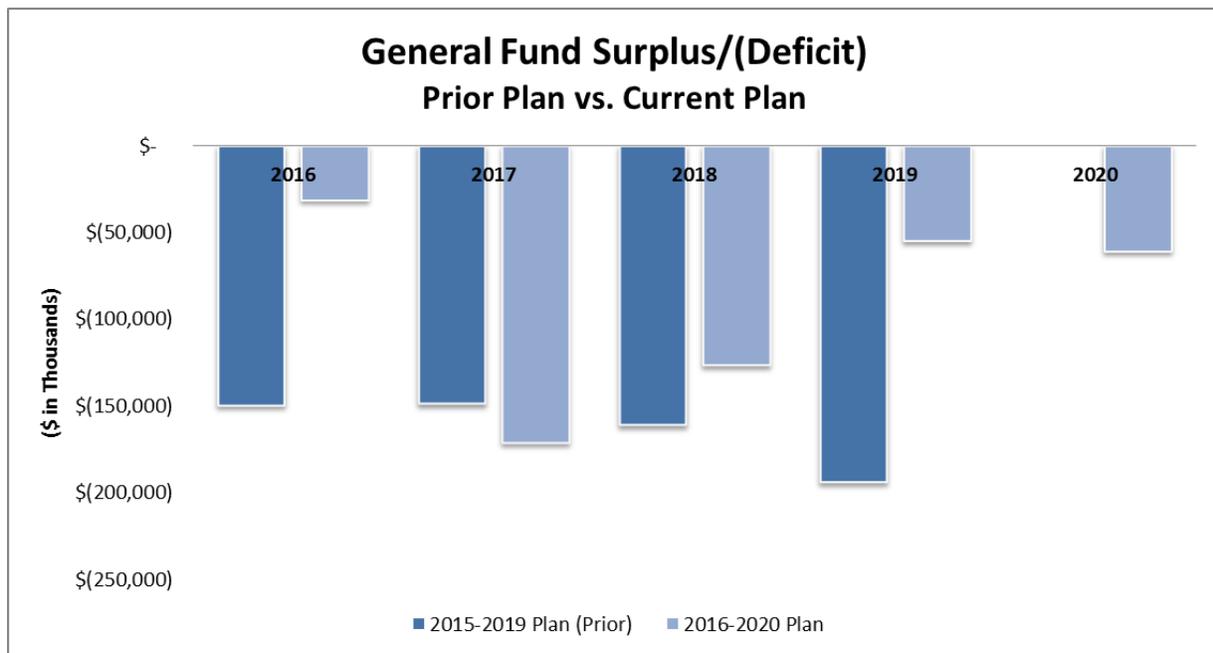
## Closing the Operating Deficit

NYCHA’s recent financial support, as well as the implementation of NextGen Initiatives, will aid efforts to close the current fiscal gap. However, without significant financial support, NYCHA will continue to be financially challenged in the years to come.

The 2016 Plan forecasts the General Fund deficit for 2016-2020 to be \$31 million, \$171 million, \$127 million, \$55 million, and \$61 million respectively. This is an improvement when compared to the prior operating plan, which had projected deficits for the years FY 2016-FY 2019 of \$150 million, \$149 million, \$161 million, and \$194 million respectively. The FY 2016 Plan assumes success from a number of initiatives and reflects an improved revenue outlook.

The City of New York aided NYCHA’s efforts in decreasing its FY 2015 financial gap through reimbursing and excusing the Payment in Lieu of Taxes (PILOT) expenses. NYCHA was reimbursed PILOT expenses from FY 2014, and was not required to pay for FY 2015 expenses and beyond. This saved NYCHA over \$60 million (\$28 million reimbursed for FY 2014 and \$33 million excused for FY 2015), which greatly improved the Authority’s financial condition.

In addition to reimbursing the FY 2014 PILOT expenses and forgiving future payments, the City of New York has also reimbursed most of the FY 2015 General Wage Increases (GWI). This GWI was an increase in the gross wages of specific unions throughout the city, and were un-budgeted and unexpected costs for the Authority. The City of New York reimbursed NYCHA over \$53 million towards the majority of these costs for FY 2015, and promised to do the same for the GWI for FY 2016 as well. These reimbursements helped prevent the GWI costs from further increasing NYCHA’s deficit for FY 2015 and FY 2016.



Above chart only includes GF01 Funding Source

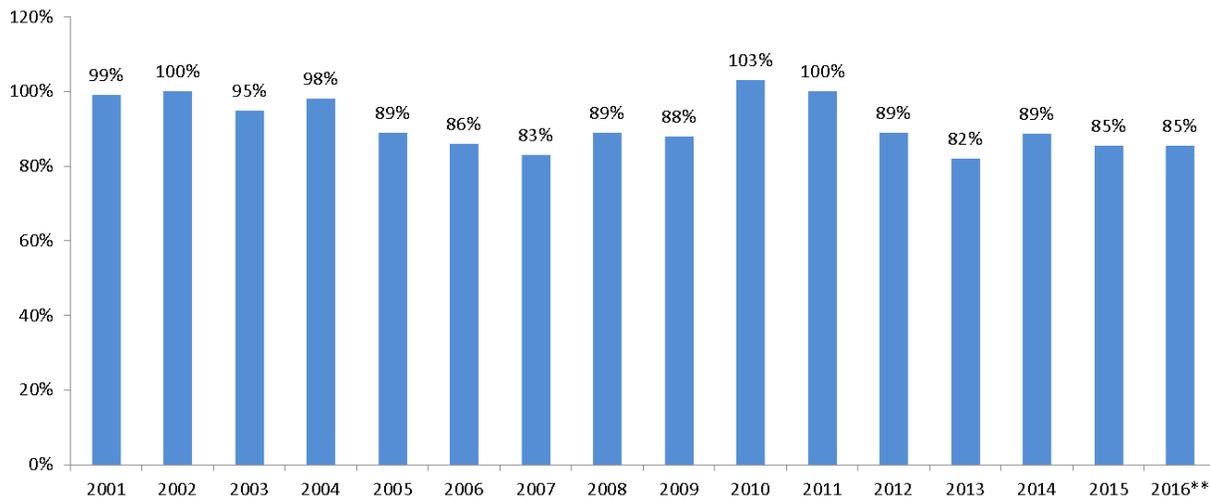
## Federal Operating Funding and Chronic Underfunding

Public housing relies heavily on federal subsidies, which account for nearly 39 percent of NYCHA’s General Fund revenues (with the balance primarily being the rent from tenants) and of NYCHA’s Section 8 HCV Program revenues. Nevertheless, federal resources for public housing remain under severe pressure.

As discussed in NYCHA’s 2016-2020 Five Year Capital Plan, federal capital grants for infrastructure improvements and major rehabilitation have been in steady decline for a decade. The chronic capital funding gap has jeopardized the preservation of the public housing asset. Moreover, as capital needs of aging buildings remain unmet, operating costs such as maintenance and repair increase, further straining operating budgets.

HUD’s public housing operating fund provides subsidies to public housing authorities nationwide to operate and maintain public housing in local communities. 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, the needed operating resources. If the total national eligibility exceeds the congressional appropriation, then it has been Congress’ practice to direct HUD to prorate its allocation of subsidy (subsequently referred to as “proration”).

**Annual Operating Subsidy Proration**



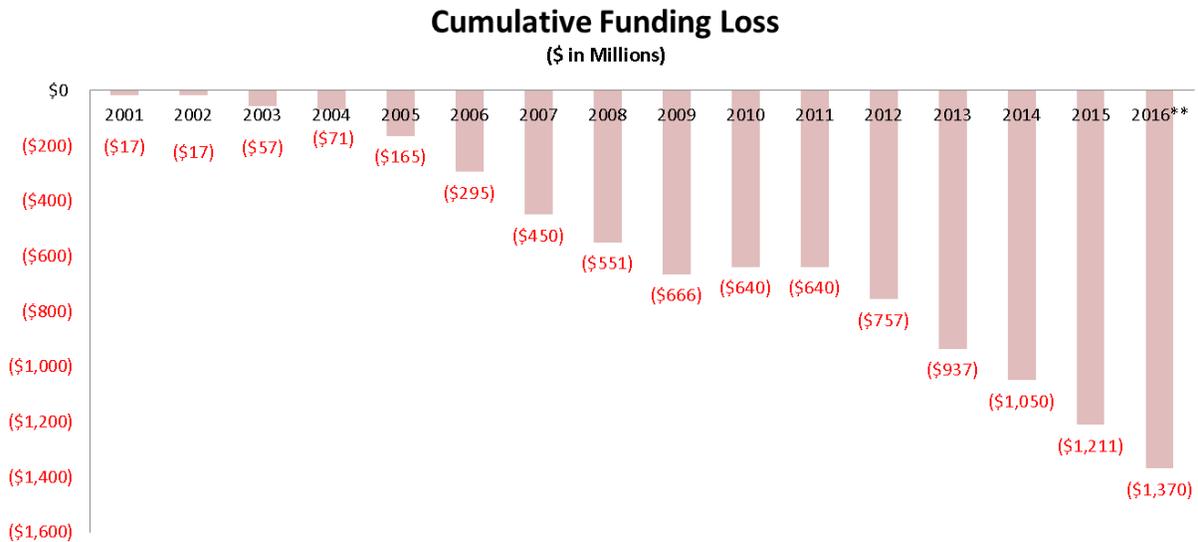
\*\* FY 2016 figures is an estimate based on FY 2015 actuals.

### *Underfunding of Operating Subsidy*

If NYCHA was awarded at 100 percent of total eligibility, there would not be an operating deficit in 2016. In fact, NYCHA would have additional resources to support critically needed frontline staff, such as maintenance workers, caretakers, and skilled trade persons to meet the needs of residents.

However, appropriations have generally fallen short of the funding levels required to fully fund public housing operations in accordance with HUD’s eligibility formula. Additionally, while

HUD’s formula takes location into account, New York City has long advocated that the system is inequitable when one considers the city’s uniquely high construction costs as well as higher employment costs in comparison to Authorities across the US.



\*\* FY 2016 figures is an estimate based on FY 2015 actuals.

Historical data (2001 to 2015), as shown above, illustrates a cumulative operating funding loss of over \$1.21 billion, as result of proration.

In FY 2015, public housing authorities (PHAs) nationwide were eligible to receive \$5.15 billion. However, the final appropriation was \$4.40 billion, which translates to 85 cents for every dollar needed (effective proration at 85 percent).

The plan assumes last year’s proration of 85 percent for FY 2016 with an expected loss of funding at around \$159 million. Any adverse changes in funding appropriation would amplify the current deficit.

***Housing Choice Voucher Program (Section 8)***

The Housing Choice Voucher (HCV) Program, generally referred to as Section 8, assists 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 with nearly 90,000 families served through a network of over 28,124 participating landlords.

NYCHA administers the program by paying rent subsidies to participating landlords on behalf of eligible tenants. Program participants pay rent directly to the landlord equal to 30 percent of family income. NYCHA pays the landlord the difference of the approved contract rent on the apartment. These payments are referred to as Housing Assistance Payments or HAP. NYCHA earns an administrative fee from HUD for oversight of the program.

HUD establishes the total number of authorized vouchers for a public housing authority. Annual HAP subsidies are determined by the number of vouchers under lease and housing assistance

payments made the prior year, adjusted for inflation and congressional appropriations. Rental subsidy payments are primarily influenced by changes in local housing market costs and family income. Additionally, while HUD permits programs to maintain positive reserves balances, it may recapture reserves balances.

Therefore, the number of vouchers that NYCHA can prospectively administer depends on current year appropriation and funding availability, changes in landlord rents, changes in family incomes, and the balance of HAP reserves to draw upon to fund HAP expenses. Program administration costs are primarily determined by labor costs and mandated program compliance activities including annual eligibility 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. As a result of sharp declines in renewal funding, HAP reserves levels have been exhausted. Therefore, the number of families NYCHA can serve is primarily determined by annual appropriations, or renewal funding.

Based on estimated 2015 HAP expenditures of \$1 billion, NYCHA expects HAP renewal funding of \$983 million in 2016 at 98 percent proration. The renewal funding will modestly decrease in 2016 consistent with national renewal funding levels.

### **Administrative Fee**

The administrative fee available to NYCHA for the administration of the program is subject to proration by HUD. HUD requires that all Section 8 Programs maintain adequate administrative fee reserves. In 2016 NYCHA expects a slight decrease in administrative fee funding. In response to declining fees, program administrators have implemented several initiatives to streamline services, e.g. online annual re-certifications and electronic service requests from landlords.

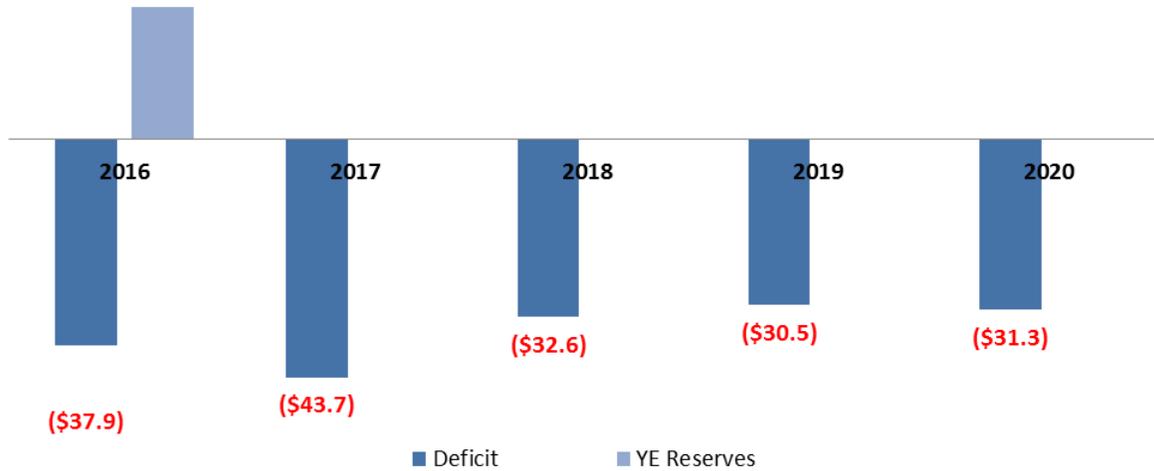
This Plan balances the administrative fee and maintains an appropriate level of administrative fee reserves to ensure compliance with HUD regulations.

Section 8 Management Assessment Program (SEMAP) is HUD's performance management tool which scores the Housing Authorities performance on key management indicators. NYCHA's program has been rated as a Standard Performer.

### ***HCV Program Annual Surplus/ (Deficit) and Reserves***

The following chart shows the projected total annual deficit of the HCV Program and year-end program reserves. However, historically the HCV Program funding has always been fully supported by HUD.

### HCV Program Fund Surplus/(Deficit) (\$ in Millions)



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

### Additional Revenues

The current funding mechanism has resulted in underfunding, which continues to jeopardize NYCHA’s long-term fiscal stability. NYCHA is constantly exploring options to help ease the financial burden caused by the chronic underfunding.

### *Department of Housing and Urban Development*

HUD has made \$10 million available to NYCHA so that free high-speed broadband service can be provided to all residents. This will greatly impact the lives of those who live and work in the community. It is just another example of NYCHA trying to increase the standard of living for its residents.

### *NYCHA’s City funded Initiatives*

The City and its administration have been very active in helping NYCHA and have granted NYCHA with approximately \$23 million dollars to fund several initiatives to reduce Homelessness in NYC and have provided funds for several of the Mayors Action Plan (MAP) to improve Safety.

### Implementation of Rent Equity Policy and the New Flat Rent Provision

Over 33,320 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.

On January 17, 2014, the President signed the Department of Housing and Urban Development Appropriations Act, 2014 requiring PHAs to establish flat rents at no less than 80 percent of the

Fair Market Rent (FMR) effective June 1, 2014. However, the statute limits annual flat rent increases to 35 percent of the existing flat rent amount.

These changes in rent policy are expected to yield a .7 percent compound growth in projected Dwelling Rent over the Plan period, from \$997.4 million in 2016 to \$1.02 billion in 2020.

### **Support for Unsubsidized Units**

NYCHA owns and operates 21 developments originally built by the City and State of New York (City/State Developments) with 20,139 housing units that have been historically unfunded. NYCHA was able to secure funding for nearly 12,000 of these units via Federalization. In addition, HUD authorized the conversion of 8,400 units, (approximately 3,918 City & 4,478 State) into Project-Based Section 8 funded units through the 2008 Voluntary Conversion Plan (VCP). Out of those 8,400 units covered by the VCP, about 3,550 units will be converted into the Section 8 funding model at the end of 2015.

The current Plan reflects NYCHA's continuing effort of converting the remaining 4,850 units (approximately 2,391 City & 2,454 State units) by transitioning an additional 300 units in each of the FY 2016 to FY 2020, into Project-Based Section 8 units. It is expected that revenue will increase from \$51.9 million in FY 2016 to \$68.3 million in FY 2020, as shown in the Section 8 Phased Conversion budget line.

### **Contract-Based Section 8 Properties**

By leveraging tax-exempt bond financing provided through the Housing Development Corporation (HDC), and Low Income Housing Tax Credit (LIHTC) equity, the Authority will be able to invest approximately \$80 million in capital work at the six Project-Based Section 8 properties, bringing them up to a better state of repair as well as adding modern amenities (e.g. new interior apartment renovations, resiliency measures, and energy efficiency).

Additionally, the transaction, which generated a return to NYCHA of approximately \$158 million in FY 2014, will generate approximately \$114 million in FY 2016. The properties were conveyed to a new ownership entity in which NYCHA has a controlling interest. The properties were also transitioned to a new property management company, which will run the day-to-day operations of the developments.

## 2016 Outlook and Risk to Plan

The President's FY 2016 proposed budget for the public housing operating fund requests \$4.6 billion from Congress. While this funding level is \$160 million above the 2015 congressional appropriation, it remains \$700-800 million short of estimates of national eligibility and suggests approximately an 86 percent proration for FY 2016.

For NYCHA, this equates to a federal operating funding level in FY 2016 of \$159 million below eligibility.

Any additional loss of funding would negatively impact service levels as NYCHA would be forced to seek spending cuts that are not reflected in this Plan. Indeed, each percentage point decrease in NYCHA's proration rate drives a decrease of approximately \$10.7 million in operating subsidy revenue.

### *Future Initiatives*

While the focus has been on addressing existing issues, progress will be limited if measures are not taken to improve both NYCHA's operations and culture. In recognizing the need for progress, NYCHA is exploring ways to leverage both internal and external partnerships to help transform NYCHA. While difficult to quantify, benefits will be realized via measures and metrics which are being designed as part of these ongoing initiatives. These initiatives are:

#### **Next Generation NYCHA (NextGenNYCHA)**

Next Generation (NextGen) NYCHA a multi-faceted, long-term, strategic investment plan was implemented in 2015, and has already begun to show its advantages. In continuation, NYCHA intends to roll out additional initiatives to reach the Authority's goal of self-sustainability.

#### ***Right Sizing Initiative***

The Right Sizing Pilot Program is expected to launch in May 2016. The goal of the program is increase access to affordable housing to more New Yorkers. The City funded program will provide supportive services, moving services, and a financial incentive for households living in under-occupied apartments to transition to apartments that match their family size. NYCHA will then work with the Department of Homeless Services to placed DHS- referred families into the under-occupied apartments.

NYCHA will contract with a qualified firm to provide various support services to tenants in connection with relocating to a more appropriately sized apartment in their borough of choice in New York City. Costs include apartment preparation, moving expenses, and financial incentives.

#### ***Housing Homeless Veterans Program***

The City has allocated funding to cover the costs of housing for 57 homeless veterans. NYCHA will expedite the preparation of these apartment units by working overtime and utilizing additional supplies, contracts, and equipment. NYCHA has already begun working with the Department of Homeless Services (DHS) to house veteran candidates and housed 17 veterans as of January 2015.

***Housing Homeless Grant***

As part of the Mayor's initiative to reduce homelessness, NYCHA agreed to house 750 DHS-referred homeless families in public housing. In turn the City will be providing NYCHA with a government grant similar to ones they provide to private landlords for the families placed.

NYCHA will receive \$1,000 per unit, per month, for each family housed. Each year 750 homeless families placed will be funded for 5 years. Additionally, subsidy per unit will increase by 2 percent each year to account for the cost of inflation. In all, there will be 3,750 families housed and funded, and NYCHA will receive cumulative funding of \$142 million, between 2016-2020, for this initiative.

***Extended Hours***

As part of the Mayor's Action Plan (MAP), to improve safety, the City is funding community centers at NYCHA developments to remain open until 11:00 PM during the summer months (July 7 – August 29).

***MAP Community Center Repair***

The City allocated \$1.2 million of city under-run funds to provide needed repairs at community centers in targeted MAP developments. NYCHA is completing physical inspections at 15 applicable centers and is working with the Mayor's Office of Criminal Justice to determine which projects to fund.

## ***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, central office, and field support functions for NYCHA-owned and/or privately-managed housing, (as well as 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 revenue to the General Fund in the form 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 funding sources with the 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 such as depreciation, amortization, and the non-cash costs of Other Post-Employment Benefits (OPEB).

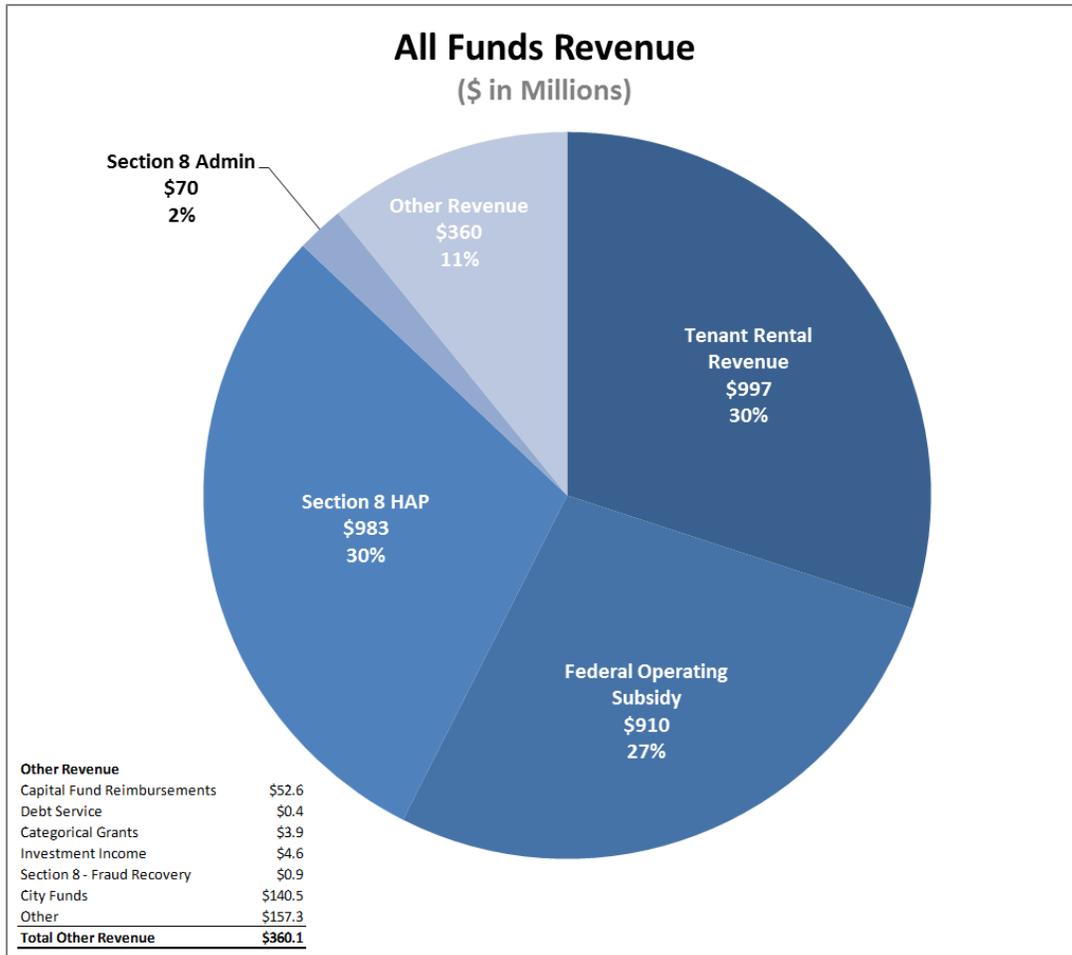
#### ***OPEB Disclosure***

This Plan only includes projections for the “pay as you go” component of OPEB. The OPEB expense and liability are recognized in NYCHA’s audited financial statements, which are prepared in accordance with Generally Accepted Accounting Principles.

As of December 31, 2014, NYCHA faces a \$2.87 billion liability for OPEB. This liability remains unfunded.

## Revenue Categories

The following chart shows the \$3.32 billion revenues in NYCHA’s 2016 operating budget, by category:



Tenant Rental Revenue and Federal Operating Subsidies account for 57 percent of total revenues. The Section 8 Subsidy for HAP and the Administrative Fee account for 32 percent of total revenues. The remaining 11 percent consists of many different components, but mainly Capital Fund Reimbursements and City Funds.

### *Dwelling Rent*

Projected rent paid to NYCHA by residents, or Tenant Rental Revenue, represents 30 percent of total revenues in FY 2016. Rent projections are modeled at the property level based on data that includes the number of occupied units, average base rents, and collection losses.

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 \$997.4 million in FY 2016 to \$ 1.02 billion in FY 2020, a compound growth rate of less than 1 percent.

### *Federal Subsidies*

This Plan projects the Federal Operating Subsidy to be \$910 million for the year 2016, increasing to \$920 million in the year 2020. The Operating Subsidy assessment is based on many factors including the number of eligible units, projected expense levels, utility expense levels, and formula income, which in turn, is based on Tenant Rental Revenue. While this assessment determines the eligibility level, additional assumptions must be made to determine future appropriations and proration levels which averaged 90 percent for the past decade. NYCHA has based its FY 2016 budget on the FY 2015 appropriation of 85 percent, and the plan assumes this operating subsidy proration for fiscal years 2016-2020. In 2016, the Authority would be eligible for \$1.07 billion but is estimated to only receive \$910 million, a shortfall of \$159 million.

### *Section 8 Conversion at LLC properties*

NYCHA continues to convert units in the former City/State Developments to Section 8 assistance, which previously received no dedicated funding. The Plan assumes approximately 3,550 units will be converted by year-end 2015, securing an estimated \$49 million of rental subsidy. The remaining units have yet to be converted but will be converted upon vacancy.

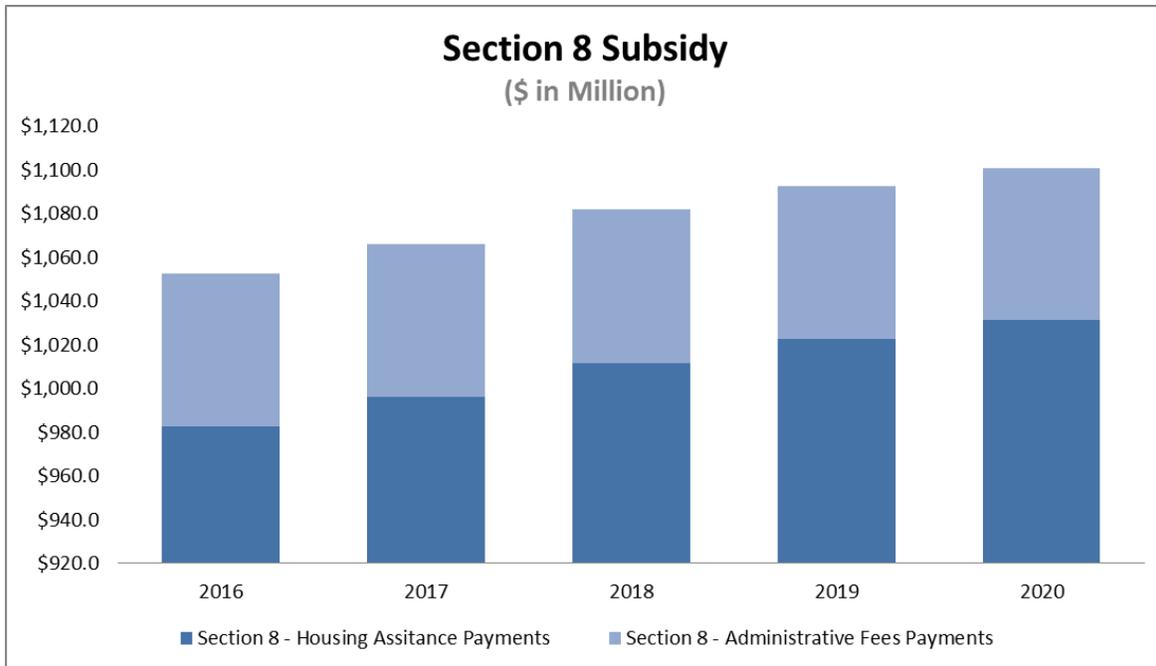
Securing dedicated federal funding for these remaining unfunded housing units is critical to the preservation of these units. Each unfunded housing unit operates with an implied structural deficit as the tenant rent alone is insufficient to cover the operating costs. NYCHA estimates that the loss in subsidy from the unconverted units is approximately \$69 million annually.

This Plan reflects a goal to convert 300 units per year in 2016 to 2020 with revenue increasing from approximately \$52 million in 2016 to approximately \$68 million in 2020.

### *Section 8 Subsidy and Fee*

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.

The projected subsidy reflects the expected vouchers in service in the HCV Program five-year rental plan. This takes into account the interplay of the following: program attrition, restorations, per unit costs, inflation factors 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 \$1.05 billion in FY 2016 to \$1.1 billion in FY 2020. This assumes a total Unit Months Leased (UML) of 1,027,413 for a monthly average of 85,618 vouchers in 2016.

### *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 funded for FY 2016- FY 2020 are budgeted for a decrease from \$3.9 million to \$68 thousand.

### *Capital Fund Reimbursements*

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

The CFR includes the 10 percent management fee, which dropped to a lower percentage to address much needed rehabilitation work. NYCHA is permitted to charge against capital fund grants to cover capital program administration costs funded from the operating budget.

Furthermore, the CFR includes: the reimbursement of direct costs of frontline staff involved in designing and managing capital projects, central office allocations of budgeted information technology capital expenditures for projects that benefit NYCHA’s frontline and central support functions, capital replacement reserves of NYCHA’s mixed-finance portfolios, the Painter’s Apprentice Program, and vehicle related expenses.

Capital Fund Reimbursements are projected to be \$52.6 million in FY 2016 and \$47.6 million in in each year from FY 2017 to FY 2020.

### *Interest on Investments*

Interest on Investments represents expected earnings on cash and investments, but excludes expected returns on self-insurance funds since these earnings are netted against insurance costs. This revenue is projected to increase from \$4.6 million in FY 2016 to \$14.8 million in FY 2020, reflecting higher portfolio balances and an expectation of modest increases in interest yields over the planning period.

### *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 FY 2016 to \$27 million in FY 2020. The projected increase is primarily attributed increased 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 the painting and numbering of parking lots.

### *City Funds*

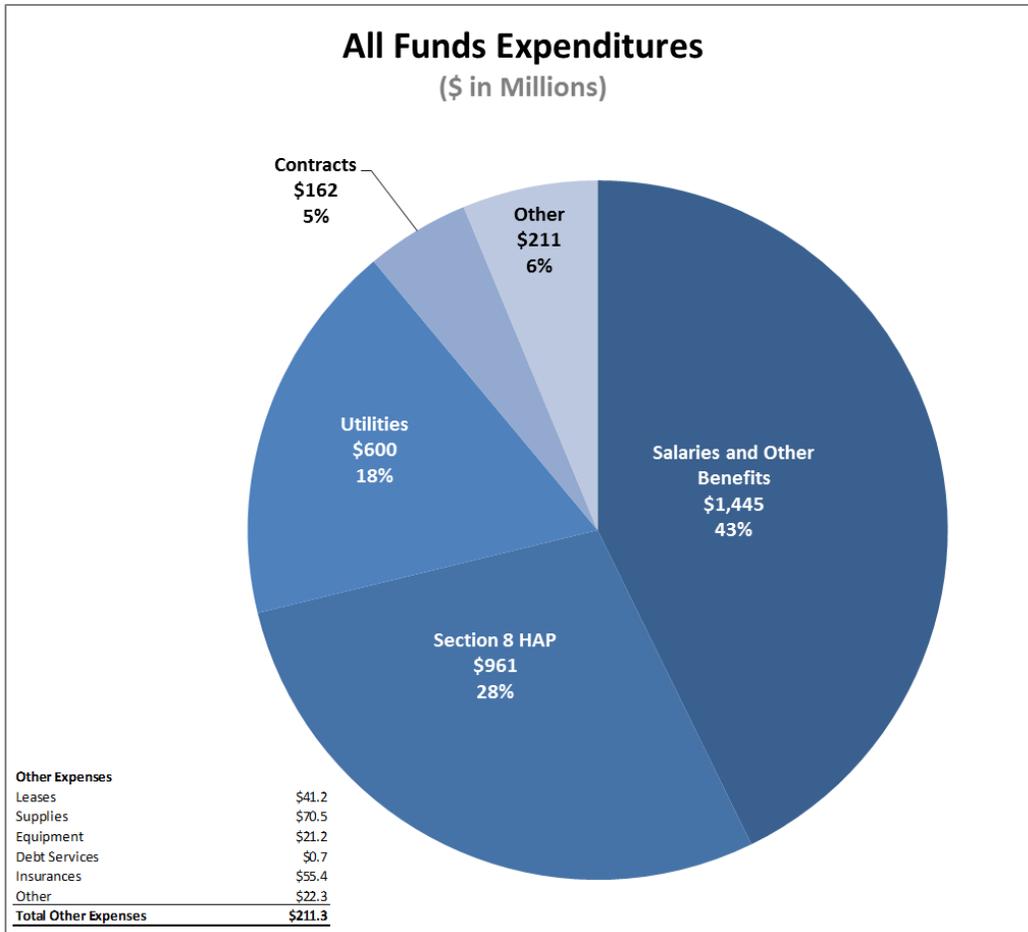
Funds from the City of New York help the Authority to absorb the impact of the Federal underfunding. The budgeted amount for FY 2016 is \$140.5 million, including \$120 million for the reimbursement of general wage increases, \$8.4 million for the Right-Size Initiative, and \$9 million for the Housing Homeless Initiative.

### *Other Non-Operating Revenues*

Other Non-Operating Revenues are ancillary revenues that NYCHA generates from third parties through property assets, including commercial storefront leases, rooftop leases (e.g. to mobile telecommunications providers), and others. This Plan projects Other Non-Operating Revenues of \$140 million, \$53 million, \$91 million, \$155 million and \$102 million for FY 2016 to FY 2020, respectively. The major drivers of this revenue category are from Section 8 Properties recapitalization, development initiatives including Resident Assistance Demonstration (RAD) taking place over the next 5 years, storefront rentals, rooftop rentals, and sublease income from underutilized office space.

## Expenditure Categories

The following chart shows by category the \$3.38 billion expenditures in NYCHA’s FY 2016 operating budget:



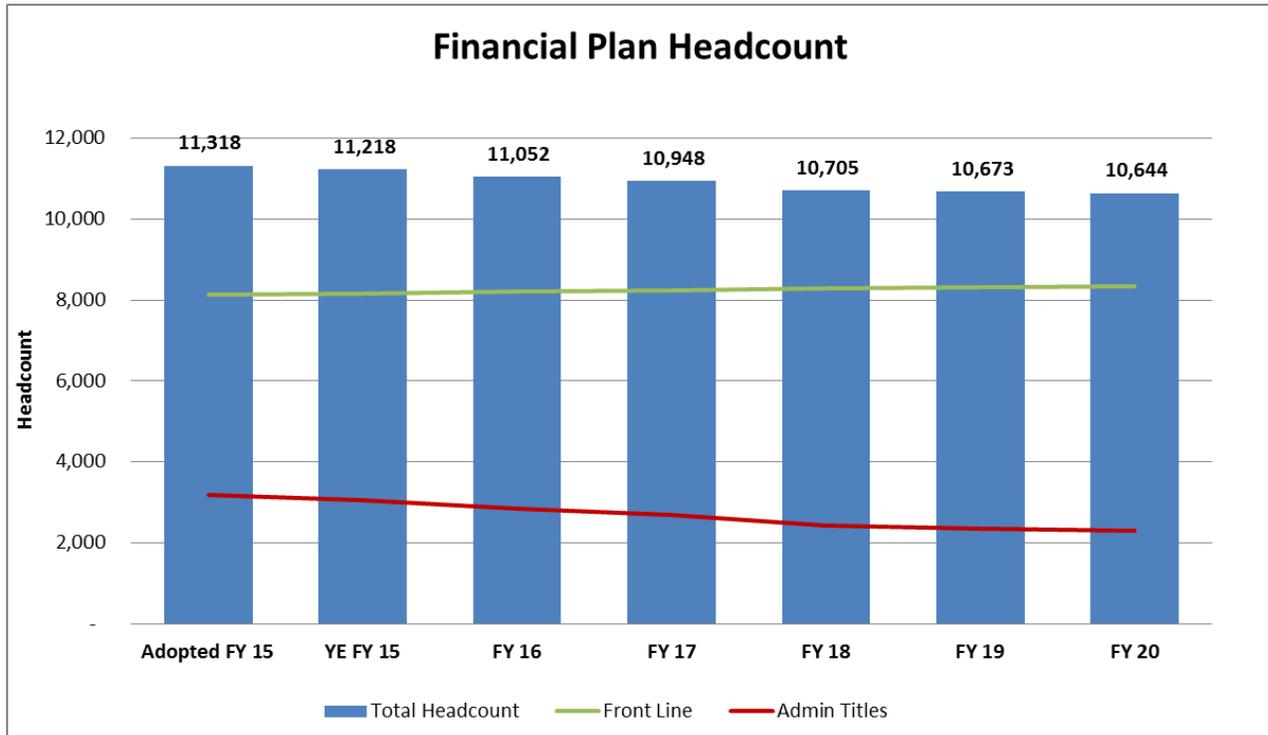
Personnel Service (Salaries and Other Benefits) accounts for 43 percent of the total operating budget expenditures. Section 8 Housing Assistance Payments account for 28 percent of the total expenditures. Utilities account for 18 percent of total expenditures, and all other expenditures account for the remaining 11 percent.

### Workforce and Salary

With continued reduction in revenues and increases in costs (e.g. benefit-related expenses), NYCHA faces challenges in ensuring its core functions and delivering essential service to its residents.

As part of NextGeneration NYCHA central office cost reduction measures, the Authority will reduce its headcount by 674 people from FY 2015- 2020. The Plan reflects ongoing efforts to streamline operations at its Central Office Cost Centers (COCC), with an emphasis on increasing

efficiencies and effectiveness of its support functions. These efficiencies will be realized gradually over the five year period through a combination of natural attrition (with selective back-fills), active performance management and the transition of employees to other City Agencies. The frontline staffing level at the development will be maintained to ensure NYCHA’s ongoing commitment to provide dependable services to its residents.



Full-time salaries are budgeted for \$630 million for FY 2016, which will decrease to \$600 million by FY 2020.

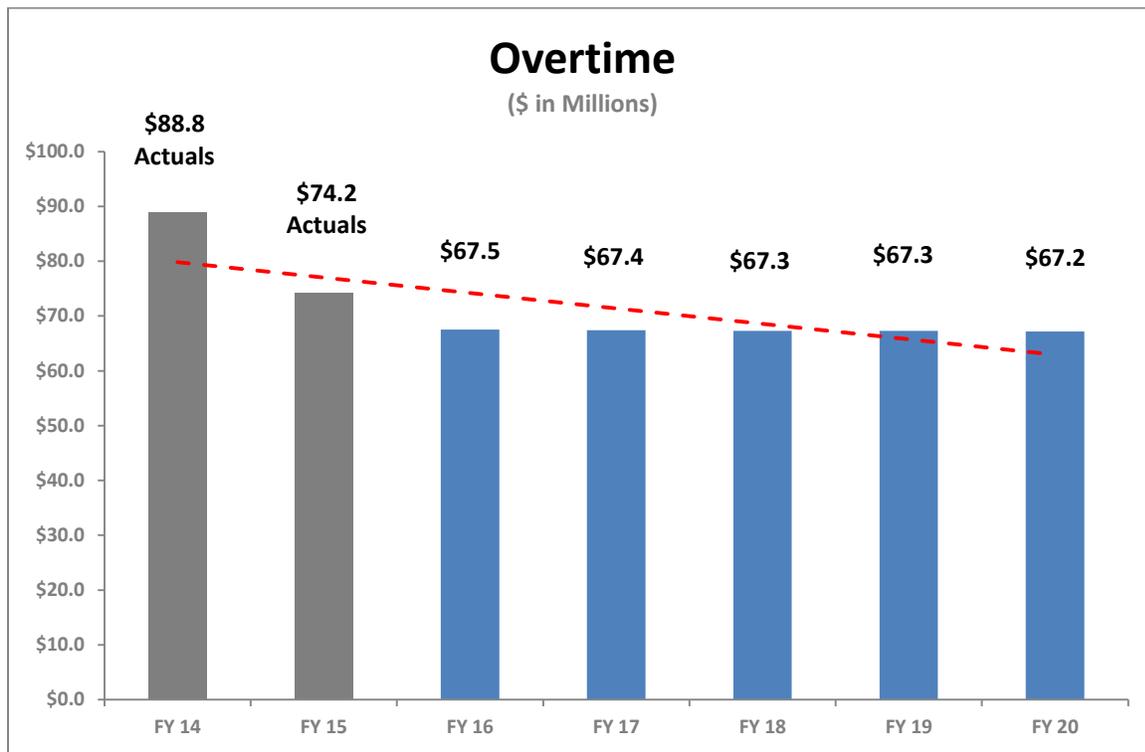
Part-time salary represents expenditures associated with part-time and temporary staff positions. Seasonal salary expenditures are associated with the Authority’s seasonal hiring program. Other Salary is an aggregation of assignment differentials, license differentials, increment payments, meal allowances,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

This Plan includes additional costs from collective bargaining agreements. In 2015, the Mayor was able to negotiate labor agreements with 94 percent of the city’s workforce, some of which had contracts that expired as far back as 2009. The labor agreements included retroactive payments starting from the end of the previous union agreements and general wage increases (GWI) going forward. To assist in the addition financial burden, the Mayor agreed to fund the labor agreement costs, including NYCHA’s increased costs.

### Overtime

The FY 2016 Adopted Plan has decreased its budget for overtime to reflect the current needs of the Authority. Through additional program management measures NYCHA has been able to better manage overtime spending.

In prior years, actual overtime expenditures exceeded budgeted overtime. NYCHA made strides towards decreasing this expense in FY 2015, and the result was a reduction of roughly \$15 million in actual overtime costs compared to FY 2014. The 2016 plan continues reductions in overtime cost even as our headcount decreases through programmatic changes that increase efficiencies, reducing to \$68 million in FY2016 and to 67 million FY 2017-FY 2020.



FY 14 and the FY 15 actuals downloaded from General Ledger on 2/12/2015

### Fringe

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

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. This is a cost-

effective approach in managing a unique workforce, which allows the Authority to take immediate action in both the processing of claims and the promotion of safety programs to reduce job-related risks.

Fringe is projected to increase from \$727 million in FY 2016 to \$728 million in FY 2020, (a compounded growth rate of .04 percent). As a percentage of total Personnel Service expenditures, Fringe is projected to increase from 50 percent in FY 2016 to 51 percent FY 2020. This is driven in large part by rising pension obligations as the cost of supplement benefits.

Additionally our Fringe line includes expenses for labor agreement payments for unsettled unions we expect to settle in FY 2016 that account for 20% of all fringe costs.

### ***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. Furthermore, a number of these leases contain rent escalation clauses during the Plan period.

The Plan projects Leases expenditures to increase from \$41 million in FY 2016 to \$58 million in FY 2018 (with an expected decrease to \$30 million in FY 2020). In FY 2020, the Authority is expected to have a savings of approximately \$16.3 million for not renewing the lease agreement for the office building known as 250 Broadway. Projected sublease income is included in Other Non-Operating Revenues.

### ***Utilities***

Utility expenditures, a significant component of NYCHA's operating budget, represent approximately 18 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 approximately \$48 million per month.

This Plan projects Utility expenditures to increase from \$600 million in FY 2016 to \$634 million in FY 2020, (a compound growth rate of 1 percent). Given the substantial impact 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 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 \$55 million in FY 2016 to \$69 million in FY 2020, (a compound growth rate of 5 percent). These increases are driven by contributions to the general liability self-insurance fund and by higher property insurance premiums.

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 (HAP) are projected based on the leased housing program rental plan. This Plan projects Section 8 Payments to landlords will increase from \$961 million in FY 2016 to \$988 million in FY 2020. This includes Section 8 Conversion Units that convert units from the General Fund to Section 8 funded units. This conversion removes the cost of those units from the General Fund's budget and increases the Section 8 expenditures.

### *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. To assist in reducing NYCHA's Operating Deficit, the City has agreed to reimburse NYCHA PILOT payments going forward.

### *Contracts, Supplies, Equipment, and Other*

*Contracts* include third-party service payments for the following: painting, floor tiling, elevator maintenance, fire safety, environmental services, Marshall 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.

*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: ranges, refrigerators, telecommunications, automotive, machinery, computer hardware, grounds, and tools, (all of which must be above NYCHA's capitalization threshold). While funded in the Operating Plan, these amounts are categorized as assets.

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

In aggregate, these four budgetary lines are projected to decrease from \$276 million in FY 2016 to \$256 million in FY 2020.

## **2016-2020 Operating Plan by Funds**

All Funds

(\$ in Thousands)

	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>Revenues</b>					
<b>Revenue from Operations:</b>					
Tenant Rental Revenue	997,364	1,012,570	1,023,512	1,023,559	1,023,609
Other Revenue from Operations	17,896	20,211	27,788	27,889	27,084
<b>Total Revenue from Operations</b>	<b>1,015,260</b>	<b>1,032,781</b>	<b>1,051,300</b>	<b>1,051,448</b>	<b>1,050,693</b>
<b>Other Revenues</b>					
Federal Subsidies	910,035	901,988	899,375	907,608	920,242
Debt Services Subsidy	438	360	285	230	180
Section 8 Phased Conversion	51,902	56,000	60,099	64,201	68,303
Section 8 Management Fees	-	-	-	-	-
Capital Fund Reimbursements	52,569	47,569	47,569	47,569	47,569
Interest on Investments	4,557	6,836	8,936	11,847	14,759
Other	140,241	52,926	90,971	155,101	101,600
Categorical Grants	3,904	618	618	68	68
Section 8 Subsidy	930,852	939,958	951,471	958,584	963,024
Section 8 Admin	69,693	70,000	70,051	69,776	69,474
Section 8 Admin Reserve	-	-	-	-	-
City Funds	140,482	76,835	92,887	103,000	113,506
<b>Total Other Revenues</b>	<b>2,304,673</b>	<b>2,153,091</b>	<b>2,222,262</b>	<b>2,317,984</b>	<b>2,298,727</b>
<b>Total Revenues</b>	<b>3,319,932</b>	<b>3,185,872</b>	<b>3,273,562</b>	<b>3,369,432</b>	<b>3,349,419</b>
<b>Expenditures</b>					
<b>Personal Service:</b>					
Salary F/T	629,800	619,815	603,984	601,764	600,137
Salary P/T	1,263	1,254	1,254	1,254	1,254
Seasonal	325	30	30	30	30
Overtime	67,499	67,355	67,278	67,288	67,202
Shift Differential	1,216	1,211	1,210	1,210	1,210
Retro	4,611	4,591	4,591	4,591	4,591
Fringe	727,344	724,698	750,166	741,735	728,486
Other Salary	13,164	13,102	13,025	13,025	13,025
<b>Total Personal Service</b>	<b>1,445,222</b>	<b>1,432,057</b>	<b>1,441,539</b>	<b>1,430,898</b>	<b>1,415,936</b>
<b>Other Than Personal Service:</b>					
Leases	41,166	42,000	43,063	58,017	29,807
Supplies	70,493	69,923	70,128	69,322	67,586
Equipment	21,164	15,020	11,707	11,857	11,601
Utilities	600,196	610,913	619,754	620,279	633,701
Contracts	162,216	156,423	157,786	157,522	157,435
Debt Services	733	628	534	455	376
Insurance	55,403	58,463	61,753	65,364	69,291
Payments in Lieu of Taxes	-	-	-	-	-
NYPD Subsidy	-	-	-	-	-
OTPS Other	22,320	19,282	19,306	19,223	19,223
Housing Assistance Payments	960,993	977,883	979,073	983,490	987,854
<b>Total Other Than Personal Service</b>	<b>1,934,684</b>	<b>1,950,534</b>	<b>1,963,104</b>	<b>1,985,529</b>	<b>1,976,874</b>
<b>Total Expenditures</b>	<b>3,379,906</b>	<b>3,382,591</b>	<b>3,404,643</b>	<b>3,416,427</b>	<b>3,392,810</b>
<b>Surplus/(Deficit)</b>	<b>(59,974)</b>	<b>(196,719)</b>	<b>(131,081)</b>	<b>(46,996)</b>	<b>(43,391)</b>

## General Funds

	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>Revenues</b>					
<b>Revenue from Operations:</b>					
Tenant Rental Revenue	997,364	1,012,570	1,023,512	1,023,559	1,023,609
Other Revenue from Operations	17,896	20,211	27,788	27,889	27,084
<b>Total Revenue from Operations</b>	<b>1,015,260</b>	<b>1,032,781</b>	<b>1,051,300</b>	<b>1,051,448</b>	<b>1,050,693</b>
<b>Other Revenues</b>					
Federal Subsidies	908,665	900,616	898,003	906,236	918,871
Debt Services Subsidy	438	360	285	230	180
Section 8 Phased Conversion	51,902	56,000	60,099	64,201	68,303
Section 8 Management Fees	13,939	14,000	14,010	13,955	13,895
Capital Fund Reimbursements	52,569	47,569	47,569	47,569	47,569
Interest on Investments	4,557	6,836	8,936	11,847	14,759
Other	138,716	51,419	89,483	153,633	100,155
Categorical Grants	-	-	-	-	-
Section 8 Subsidy	-	-	-	-	-
Section 8 Admin	-	-	-	-	-
Section 8 Admin Reserve	-	-	-	-	-
City Funds	119,982	58,475	64,796	64,796	64,796
<b>Total Other Revenues</b>	<b>1,290,767</b>	<b>1,135,275</b>	<b>1,183,181</b>	<b>1,262,468</b>	<b>1,228,528</b>
<b>Total Revenues</b>	<b>2,306,027</b>	<b>2,168,056</b>	<b>2,234,481</b>	<b>2,313,916</b>	<b>2,279,221</b>
<b>Expenditures</b>					
<b>Personal Service:</b>					
Salary F/T	599,045	591,345	576,478	574,803	573,502
Salary P/T	1,254	1,254	1,254	1,254	1,254
Seasonal	14	14	14	14	14
Overtime	66,856	66,834	66,757	66,767	66,681
Shift Differential	1,215	1,210	1,209	1,209	1,209
Retro	4,611	4,591	4,591	4,591	4,591
Fringe	703,331	701,437	726,501	717,580	703,631
Other Salary	12,519	12,457	12,380	12,380	12,380
<b>Total Personal Service</b>	<b>1,388,846</b>	<b>1,379,142</b>	<b>1,389,185</b>	<b>1,378,599</b>	<b>1,363,263</b>
<b>Other Than Personal Service:</b>					
Leases	36,135	36,940	37,888	52,682	24,114
Supplies	69,754	69,862	70,067	69,266	67,530
Equipment	17,665	12,966	9,974	10,147	9,917
Utilities	600,010	610,726	619,566	620,089	633,505
Contracts	149,567	152,728	154,061	154,001	153,930
Debt Services	414	334	267	216	166
Insurance	55,201	58,250	61,529	65,130	69,045
Payments in Lieu of Taxes	-	-	-	-	-
NYPD Subsidy	-	-	-	-	-
OTPS Other	19,493	18,455	18,479	18,534	18,534
Housing Assistance Payments	-	-	-	-	-
<b>Total Other Than Personal Service</b>	<b>948,239</b>	<b>960,261</b>	<b>971,832</b>	<b>990,065</b>	<b>976,741</b>
<b>Total Expenditures</b>	<b>2,337,085</b>	<b>2,339,404</b>	<b>2,361,017</b>	<b>2,368,663</b>	<b>2,340,004</b>
<b>Surplus/(Deficit)</b>	<b>(31,058)</b>	<b>(171,348)</b>	<b>(126,535)</b>	<b>(54,747)</b>	<b>(60,783)</b>

## Housing Choice Voucher

	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>Revenues</b>					
<b>Revenue from Operations:</b>					
Tenant Rental Revenue	-	-	-	-	-
Other Revenue from Operations	-	-	-	-	-
<b>Total Revenue from Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Revenues</b>					
Federal Subsidies	-	-	-	-	-
Debt Services Subsidy	-	-	-	-	-
Section 8 Phased Conversion	-	-	-	-	-
Section 8 Management Fees	-	-	-	-	-
Capital Fund Reimbursements	-	-	-	-	-
Interest on Investments	-	-	-	-	-
Other	880	880	880	880	880
Categorical Grants	-	-	-	-	-
Section 8 Subsidy	982,754	995,959	1,011,570	1,022,785	1,031,328
Section 8 Admin	69,693	70,000	70,051	69,776	69,474
Section 8 Admin Reserve	-	-	-	-	-
City Funds	-	-	-	-	-
<b>Total Other Revenues</b>	<b>1,053,327</b>	<b>1,066,839</b>	<b>1,082,501</b>	<b>1,093,440</b>	<b>1,101,682</b>
<b>Total Revenues</b>	<b>1,053,327</b>	<b>1,066,839</b>	<b>1,082,501</b>	<b>1,093,440</b>	<b>1,101,682</b>
<b>Expenditures</b>					
<b>Personal Service:</b>					
Salary F/T	28,254	27,362	26,398	25,958	25,632
Salary P/T	-	-	-	-	-
Seasonal	16	16	16	16	16
Overtime	521	521	521	521	521
Shift Differential	1	1	1	1	1
Retro	-	-	-	-	-
Fringe	21,888	22,409	22,804	23,370	24,063
Other Salary	645	645	645	645	645
<b>Total Personal Service</b>	<b>51,324</b>	<b>50,954</b>	<b>50,386</b>	<b>50,511</b>	<b>50,878</b>
<b>Other Than Personal Service:</b>					
Leases	5,031	5,060	5,175	5,334	5,693
Supplies	57	57	57	57	57
Equipment	3,500	2,054	1,733	1,710	1,684
Utilities	186	187	188	190	197
Contracts	17,360	17,473	17,513	17,476	17,399
Debt Services	-	-	-	-	-
Insurance	203	213	224	235	246
Payments in Lieu of Taxes	-	-	-	-	-
NYPD Subsidy	-	-	-	-	-
OTPS Other	689	689	689	689	689
Housing Assistance Payments	1,012,894	1,033,884	1,039,173	1,047,690	1,056,157
<b>Total Other Than Personal Service</b>	<b>1,039,919</b>	<b>1,059,616</b>	<b>1,064,751</b>	<b>1,073,381</b>	<b>1,082,121</b>
<b>Total Expenditures</b>	<b>1,091,243</b>	<b>1,110,570</b>	<b>1,115,137</b>	<b>1,123,892</b>	<b>1,132,999</b>
<b>Surplus/(Deficit)</b>	<b>(37,916)</b>	<b>(43,731)</b>	<b>(32,636)</b>	<b>(30,452)</b>	<b>(31,317)</b>

## Categorical Grants

	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget
<b>Revenues</b>					
<b>Revenue from Operations:</b>					
Tenant Rental Revenue	-	-	-	-	-
Other Revenue from Operations	-	-	-	-	-
<b>Total Revenue from Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other Revenues</b>					
Federal Subsidies	1,370	1,372	1,372	1,372	1,372
Debt Services Subsidy	-	-	-	-	-
Section 8 Phased Conversion	-	-	-	-	-
Section 8 Management Fees	-	-	-	-	-
Capital Fund Reimbursements	-	-	-	-	-
Interest on Investments	-	-	-	-	-
Other	645	628	608	587	565
Categorical Grants	3,904	618	618	68	68
Section 8 Subsidy	-	-	-	-	-
Section 8 Admin	-	-	-	-	-
Section 8 Admin Reserve	-	-	-	-	-
City Funds	20,500	18,360	28,091	38,203	48,709
<b>Total Other Revenues</b>	<b>26,418</b>	<b>20,978</b>	<b>30,689</b>	<b>40,231</b>	<b>50,714</b>
<b>Total Revenues</b>	<b>26,418</b>	<b>20,978</b>	<b>30,689</b>	<b>40,231</b>	<b>50,714</b>
<b>Expenditures</b>					
<b>Personal Service:</b>					
Salary F/T	2,501	1,108	1,108	1,004	1,004
Salary P/T	9	-	-	-	-
Seasonal	295	-	-	-	-
Overtime	122	-	-	-	-
Shift Differential	-	-	-	-	-
Retro	-	-	-	-	-
Fringe	2,125	853	860	785	792
Other Salary	-	-	-	-	-
<b>Total Personal Service</b>	<b>5,052</b>	<b>1,961</b>	<b>1,968</b>	<b>1,789</b>	<b>1,795</b>
<b>Other Than Personal Service:</b>					
Leases	-	-	-	-	-
Supplies	682	4	4	-	-
Equipment	-	-	-	-	-
Utilities	-	-	-	-	-
Contracts	9,228	222	222	-	-
Debt Services	319	293	267	239	210
Insurance	-	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-	-
NYPD Subsidy	-	-	-	-	-
OTPS Other	2,138	137	137	-	-
Housing Assistance Payments	-	-	-	-	-
<b>Total Other Than Personal Service</b>	<b>12,367</b>	<b>657</b>	<b>630</b>	<b>239</b>	<b>210</b>
<b>Total Expenditures</b>	<b>17,418</b>	<b>2,618</b>	<b>2,598</b>	<b>2,028</b>	<b>2,005</b>
<b>Surplus/(Deficit)</b>	<b>9,000</b>	<b>18,360</b>	<b>28,091</b>	<b>38,203</b>	<b>48,709</b>