



Budget Briefing
June 5, 2012



Implementing *Plan NYCHA* Initiatives

Five-Year Operating Plan

- Expect to eliminate the structural operating deficit by 2015
- Redirecting resources from administrative functions to frontline

Five-Year Capital Plan

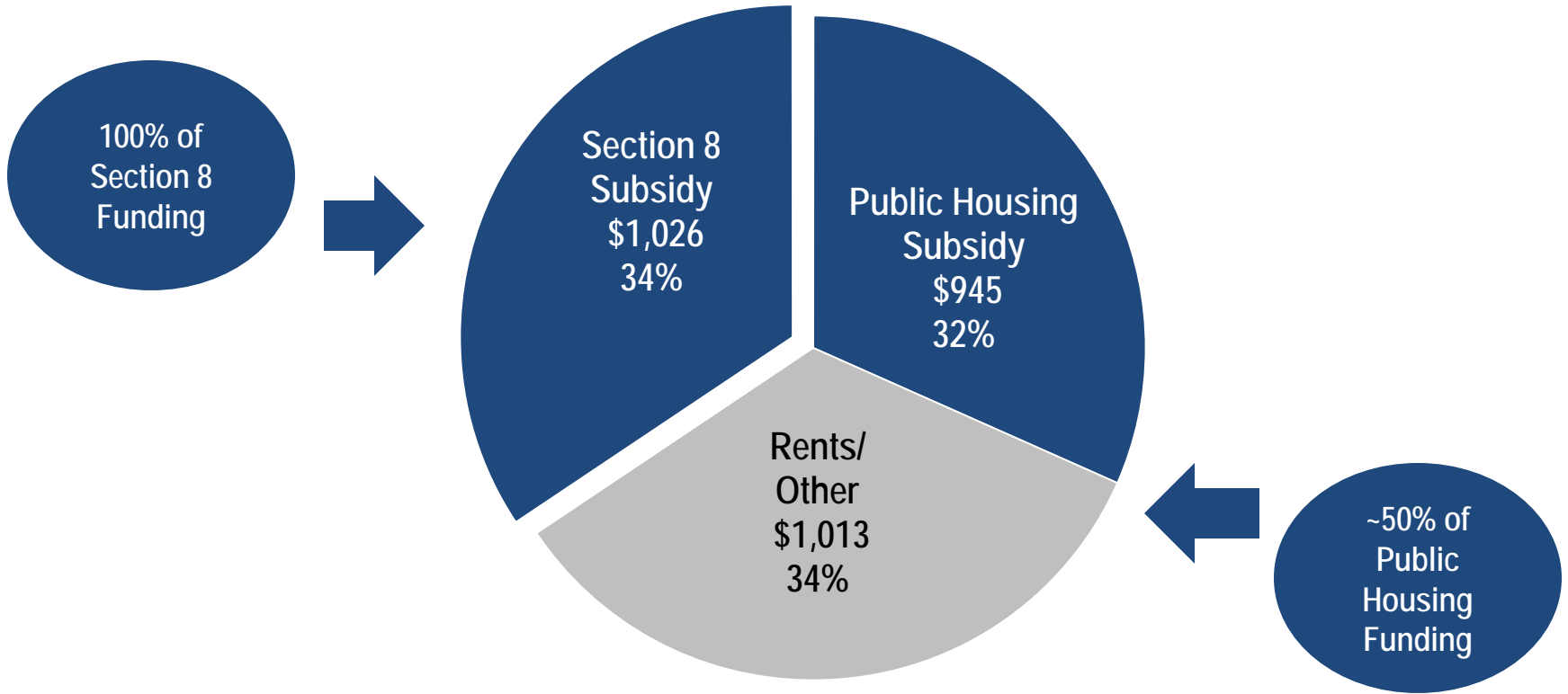
- \$2.4 B for planned commitments
- Bridging \$300 M federal funding gap

Still Face Unprecedented Challenges from Chronic Underfunding



Reliance on Federal Funding & Appropriations

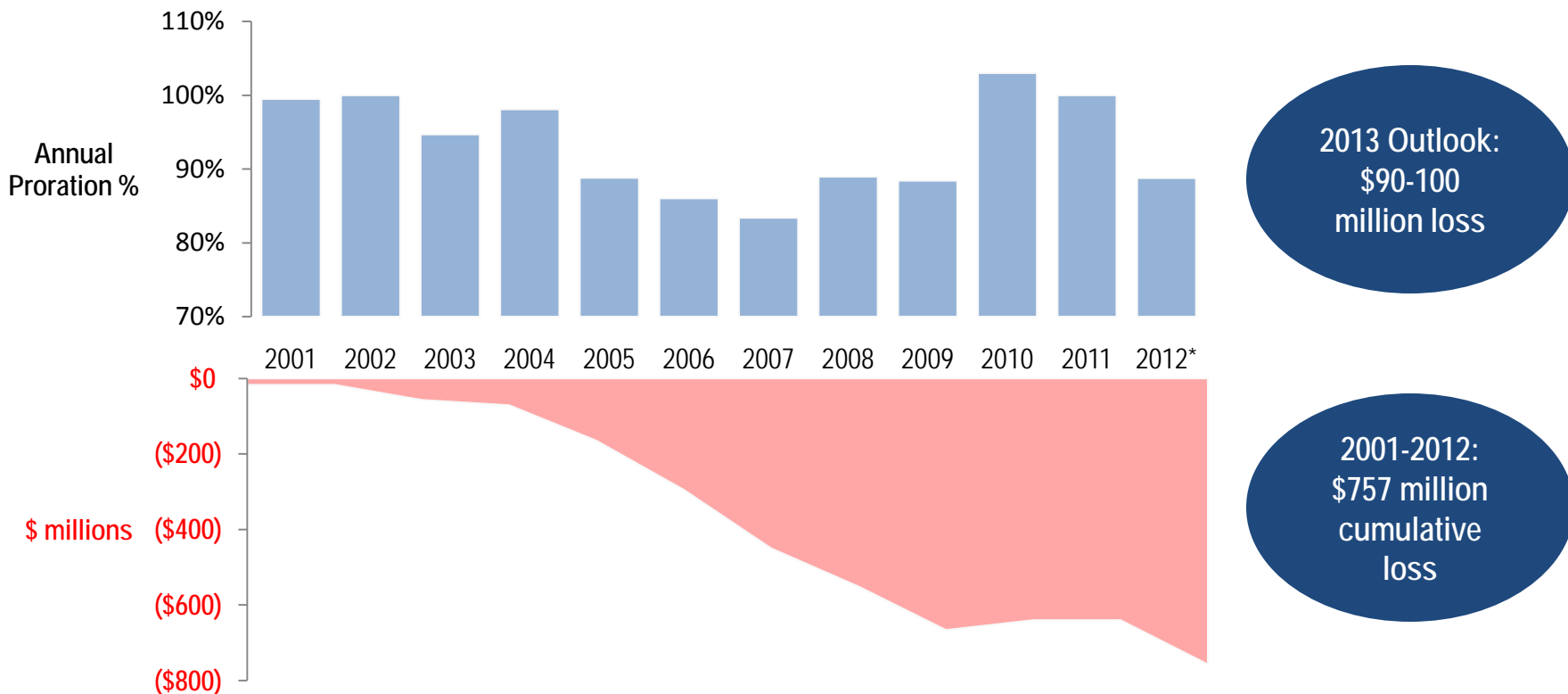
(\$ millions)



2012 Total Revenue = \$2.984 B

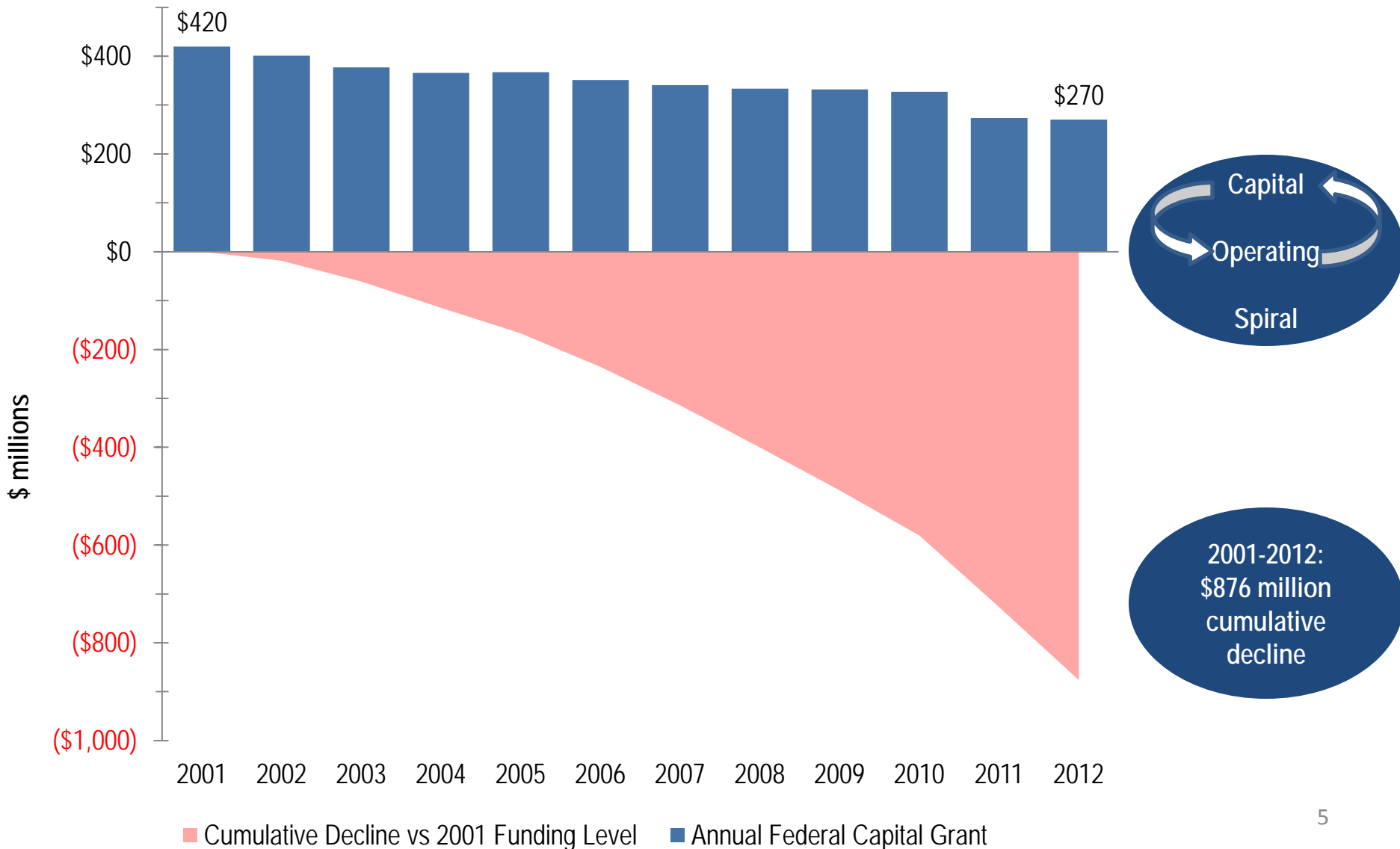


Long-Term Operating Subsidy Underfunding



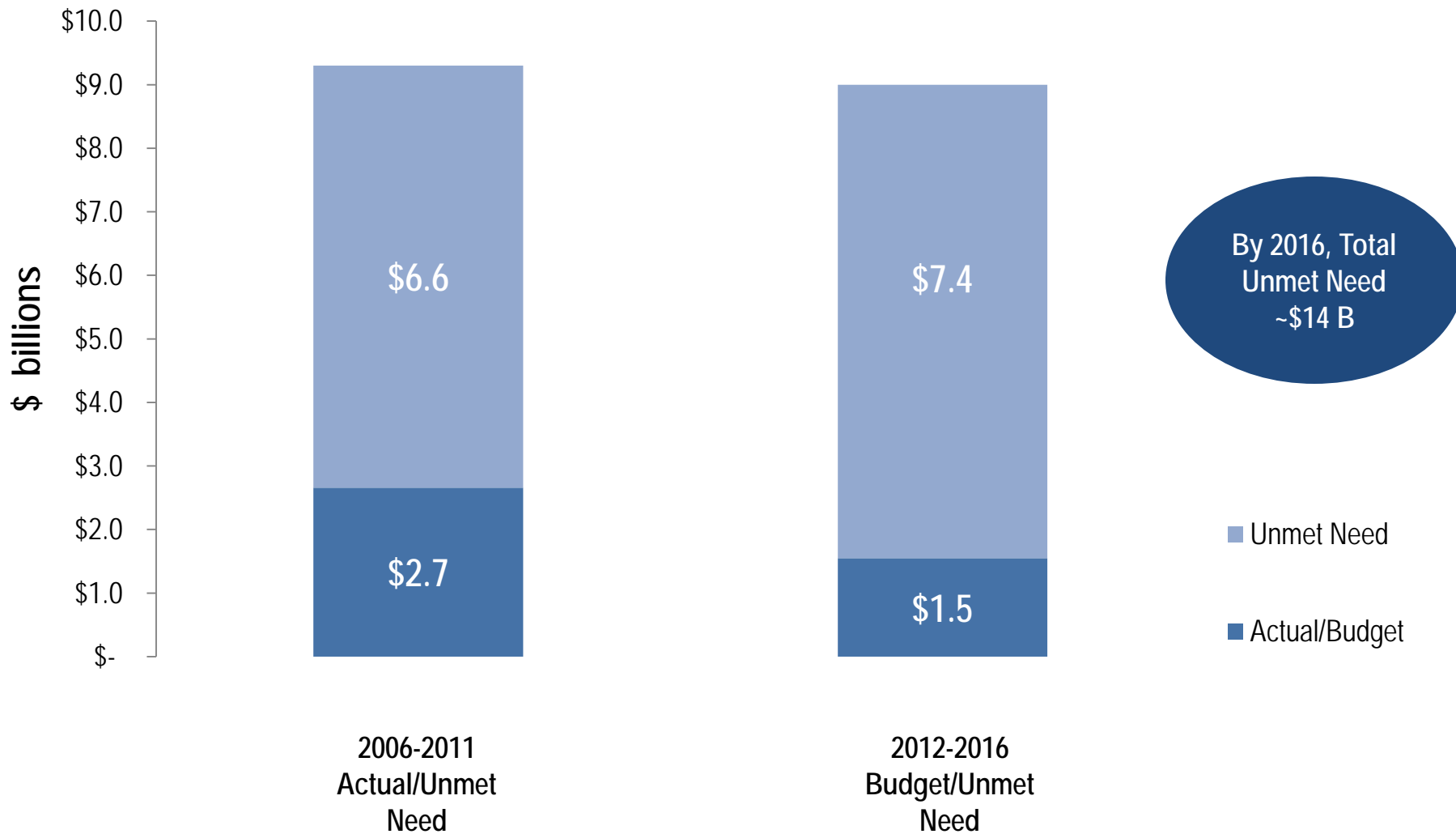
*Effective proration includes \$70 million of reserves offset

Long-Term Capital Grant Funding Declines





Substantial Unmet Capital Needs

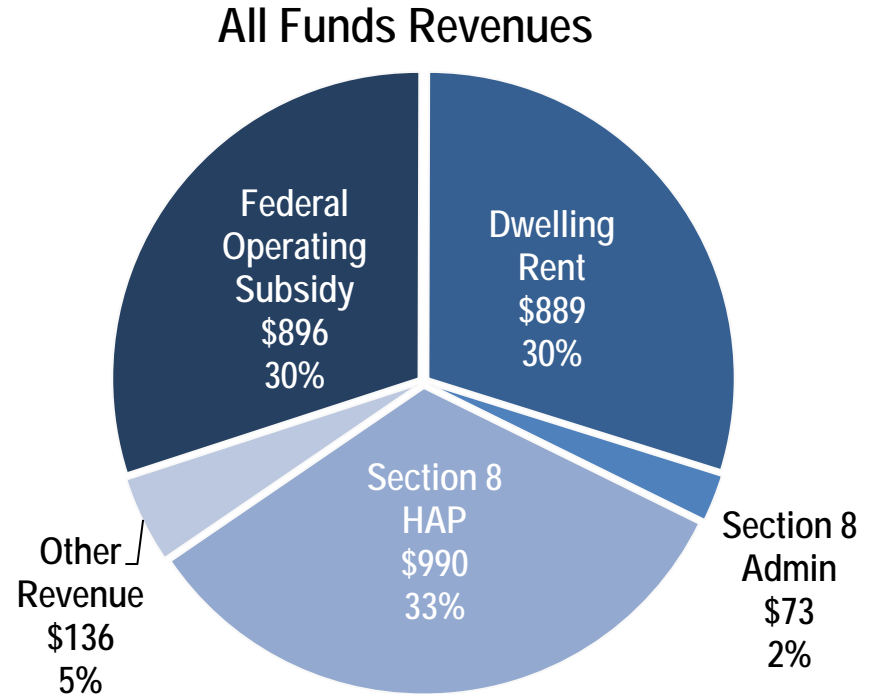




Operating Plan 2012 Revenues

(\$ millions)

Other Revenue	
Capital Fund Reimbursements	\$84
Revenue from Operations	18
Contract-Based Section 8 Properties	11
Commercial Tenants	8
Other	5
Categorical Grants	5
Non Dwelling Rent	2
Interest on Investments	2
Debt Service Subsidies	1
Total Other Revenue	\$136



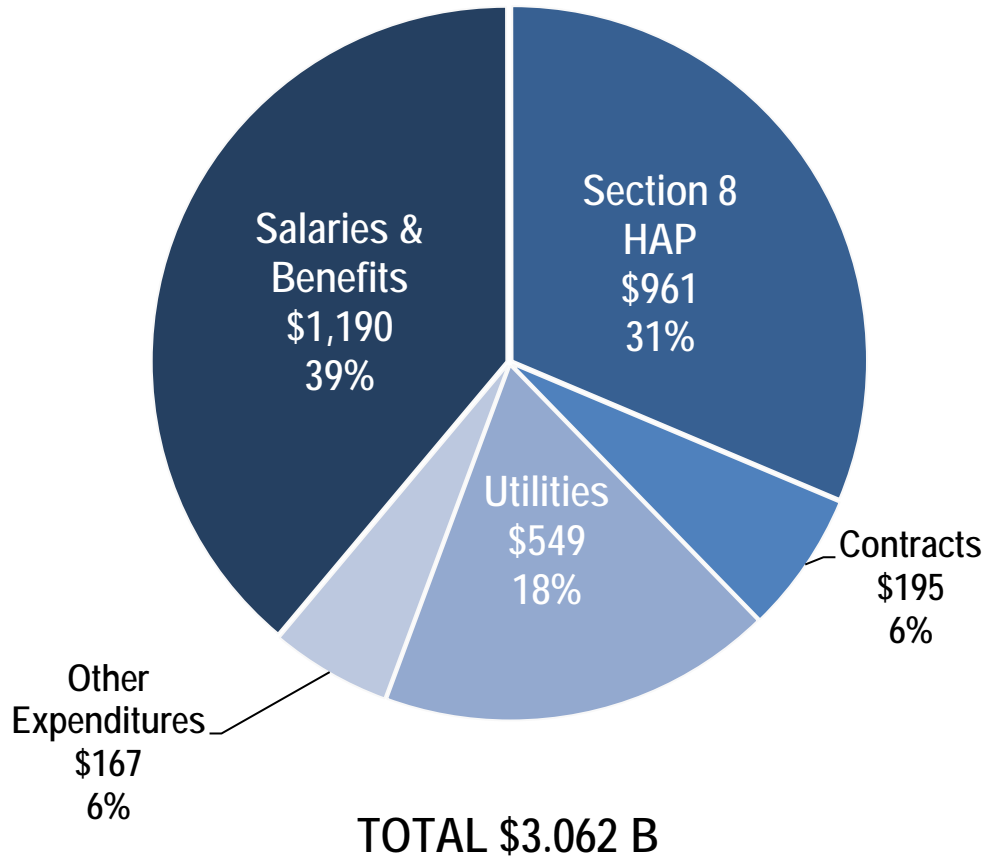
TOTAL \$2.984 B



Operating Plan 2012 Expenditures

(\$ millions)

All Funds Expenditures



Other Expenditures

Insurance	\$36
Leases	35
Supplies	32
PILOT	26
Other	11
NYCHA Replacement Reserves	11
Athletic & Recreational Activities	7
Equipment	5
Postage	3
Debt Service	1
Total Other Expenditures	\$167



2012 Budget Deficit

(\$ millions)

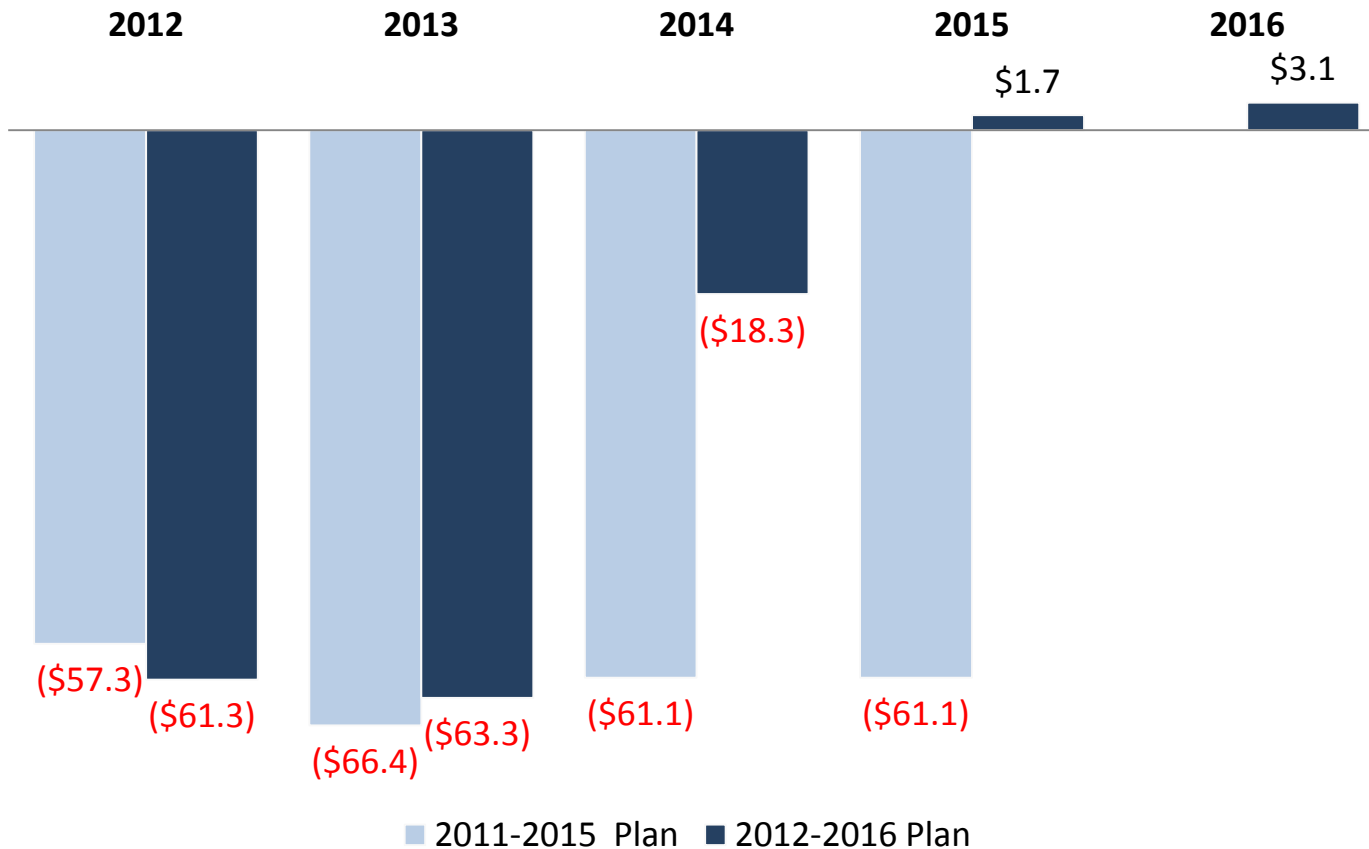
All Funds		By Fund	
Revenues	\$2,984	General Fund	(\$61)
Expenditures	<u>\$3,062</u>	HCV Program Fund	(\$16)
		Categorical Grants	<u>\$0</u>
Deficit	(\$77)	All Funds	(\$77)

Deficits Funded from Reserves



Structural General Fund Operating Deficit Eliminated

(\$ millions)



Cumulative Deficit reduced by over 50 percent



Plan NYCHA Initiatives

- Improve central office and administrative efficiency
- Invest in maintenance and repair and redirect resources to the frontline
- Develop ancillary revenue streams, including new advertising and sponsorship revenues
- Secure funding for approximately 5,700 public housing units that still receive no dedicated subsidy
- Implement new rent policy to establish greater fairness in rents among residents



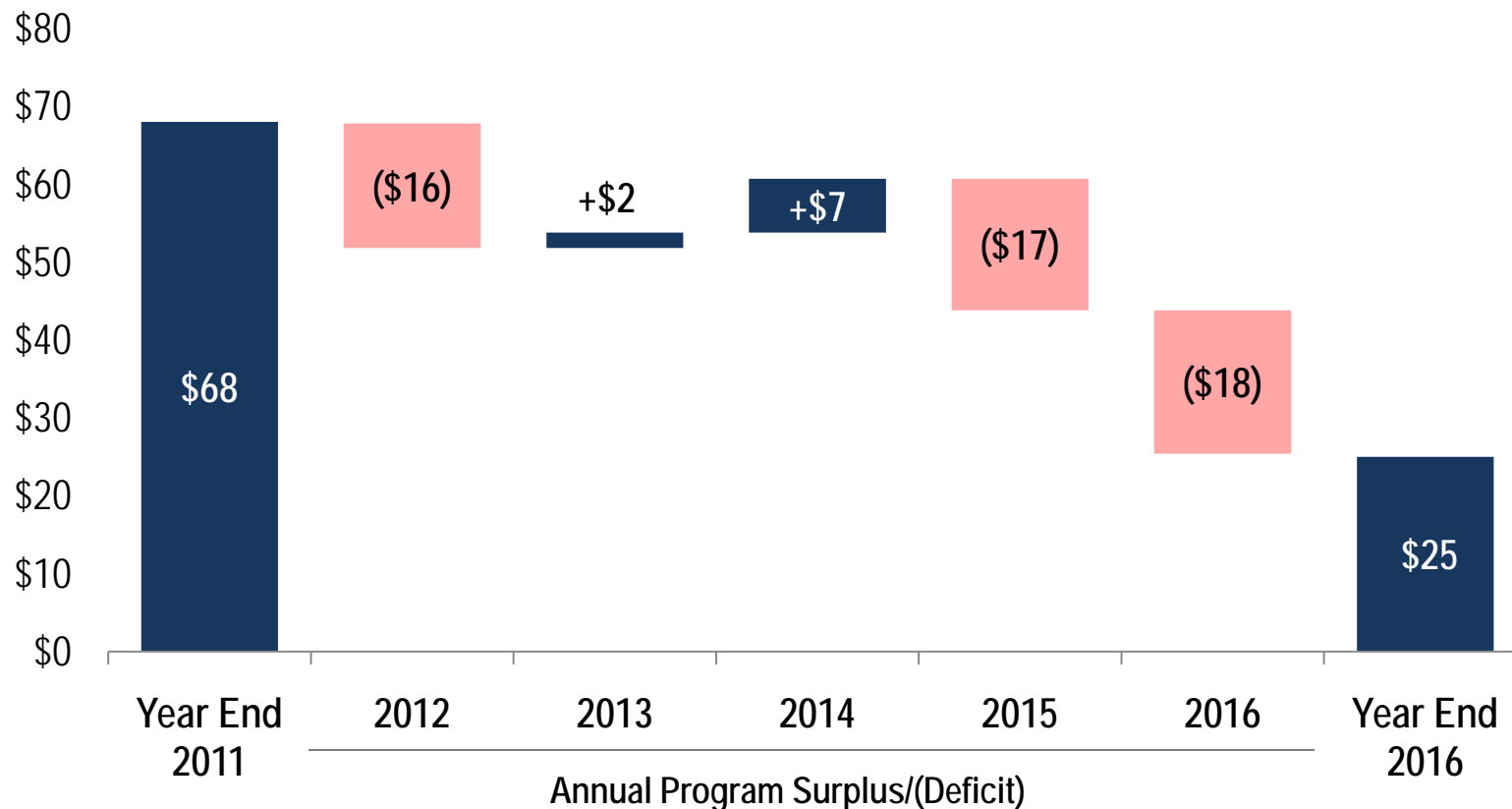
Section 8 Program Overview

- Largest Section 8 Program in the nation
- In 2011, Housing Assistance Payments (HAP) of nearly \$1 billion paid to more than 32,000 landlords
- Providing subsidy to over 250,000 New Yorkers in over 94,000 apartments
- Reserves have declined to less than one month of Program costs
 - Number of families served driven by annual appropriations
- HAP spend expected to increase from \$998 million in 2012 to \$1.133 billion in 2016



Section 8 Program Reserves Forecast

(\$ millions)



Note: Chart combines presentation of HAP and Administrative Fee

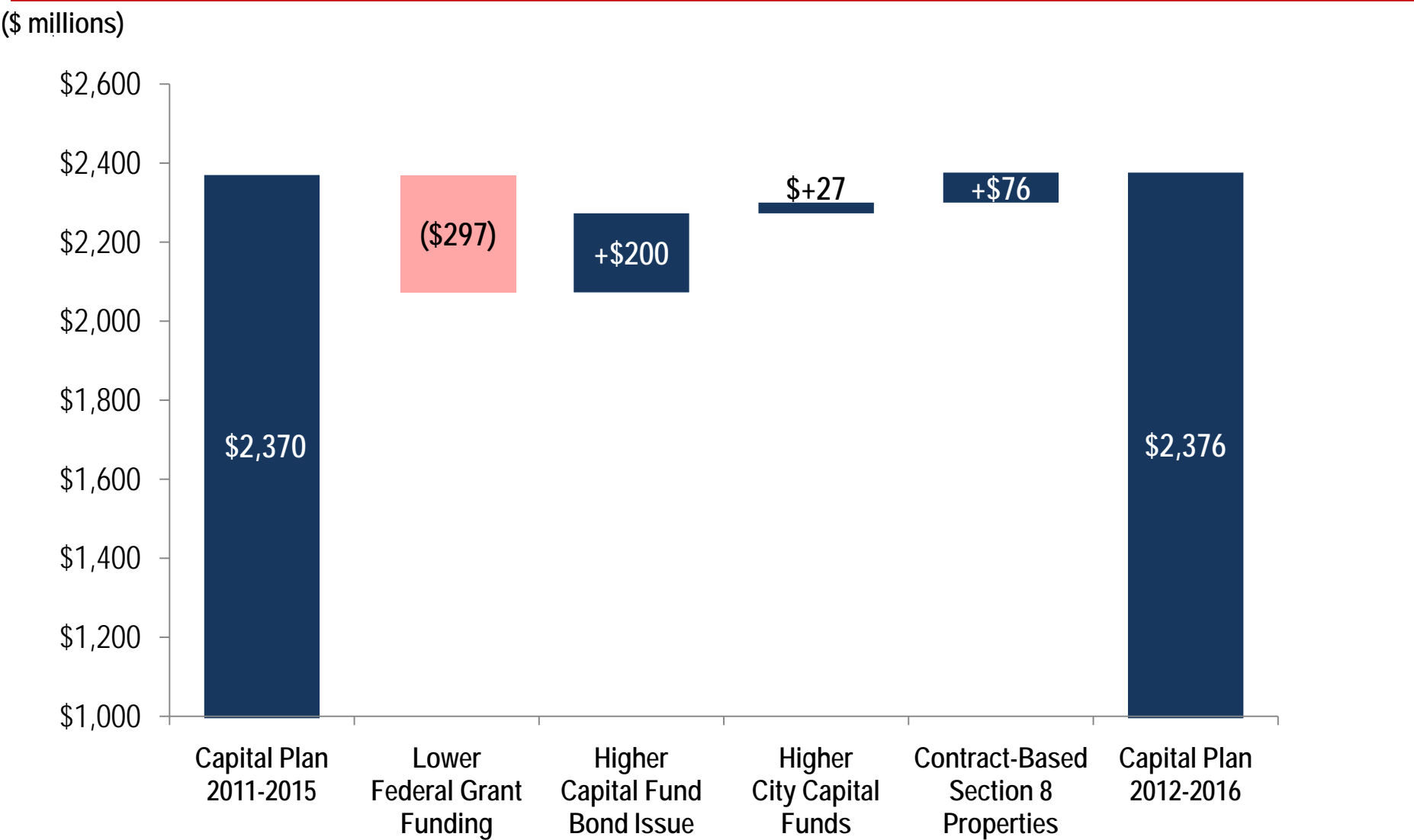


2011 Capital Plan Highlights

- Expended American Recovery and Reinvestment Act (ARRA) funds
 - \$423M fully expended over three years ending March 2012
 - Critical capital work portfolio-wide, including enabling “Federalization”
- Serving residents in state-of-the-art community centers
 - New centers including Gerard Carter Center and Johnson Houses Center
- Invested \$100 M in Whitman-Ingersoll Houses
 - Over 1,100 apartments renovated
 - Replaced 93 elevators and multiple roofs
- Completed modernization projects at 13 properties in “Federalized” mixed-finance portfolios
 - Projects at remaining 8 properties are expected to complete in 2012



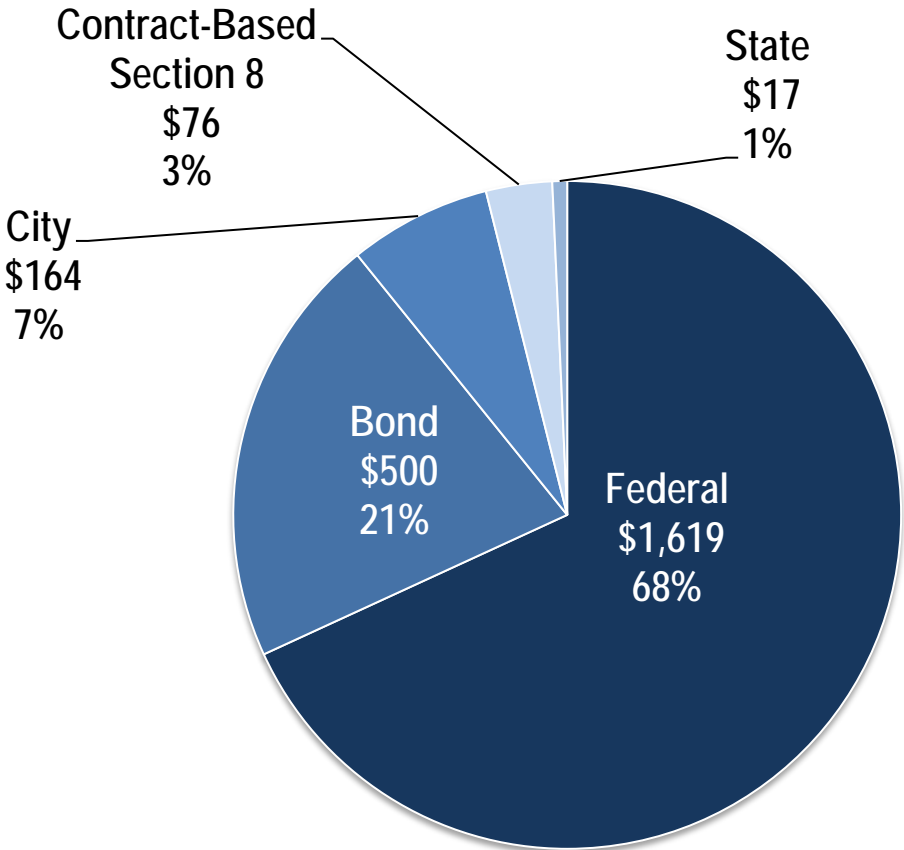
Plan NYCHA Initiatives Bridging the Gap





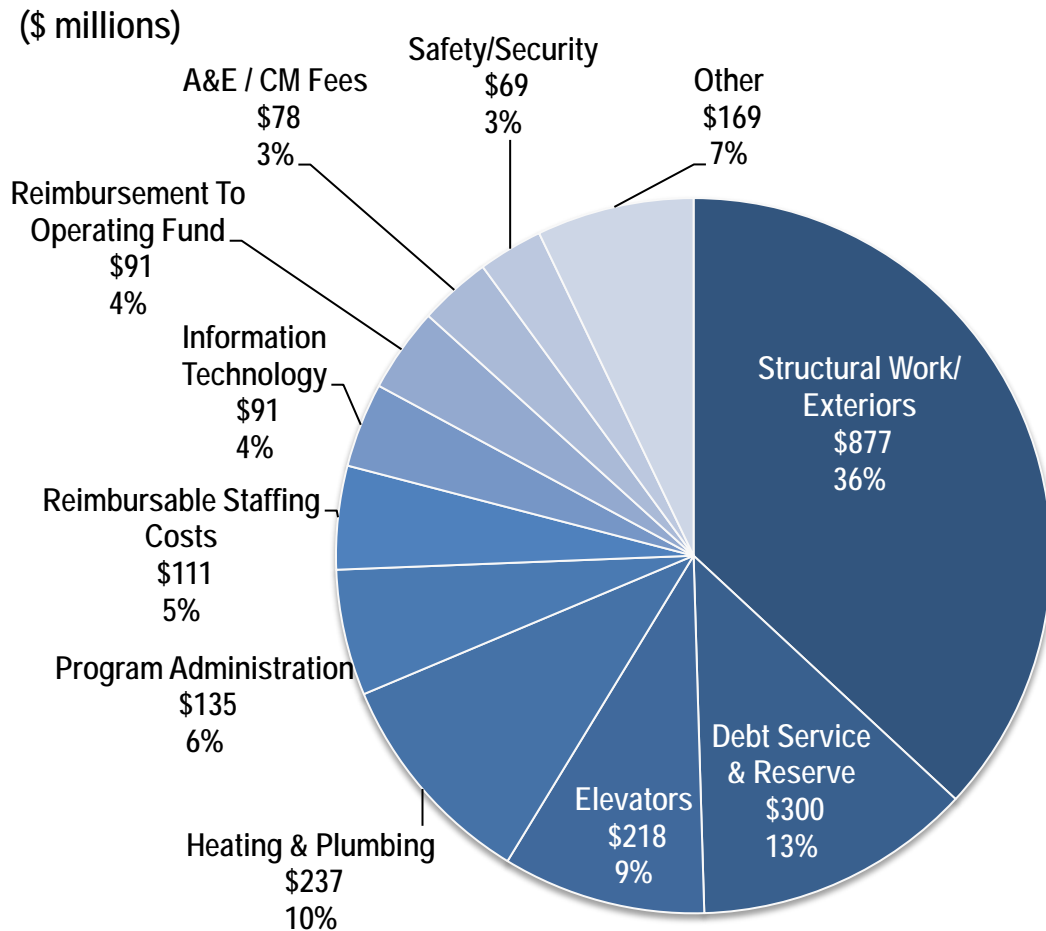
Capital Plan Sources

(\$ millions)



Total = \$2.4 B

Capital Plan Uses



Total = \$2.4 B

Highlights

- \$600+ M for Brick and Roof Work
- \$200+ M for Heating and Plumbing
- \$200+ M for Elevators
- \$100+ M incremental for Major Projects at Morrisania Air Rights, Mitchel, Harlem River, Dyckman and Sotomayor
- \$35 M for Energy Initiatives
- \$11 M for Trash Compactors



Budget Request

- Match \$30 million annually to address maintenance and repair

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Total</u>
\$30m	\$30m	\$30m	\$30m	\$30m	\$150m

- Support and advocacy of *Plan NYCHA* initiatives
 - Section 8 rental plan
 - Advertising and sponsorship initiatives
 - Redirecting resources to frontline/labor productivity

Questions & Answers

