



Budget Briefing
March 12, 2013



Key Highlights

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- Maintenance & Repair
- Rent Increase
- Conversion of Public Housing Units to Housing Choice Vouchers ("HCV")
- Ancillary Revenue:
 - Land-lease Strategy

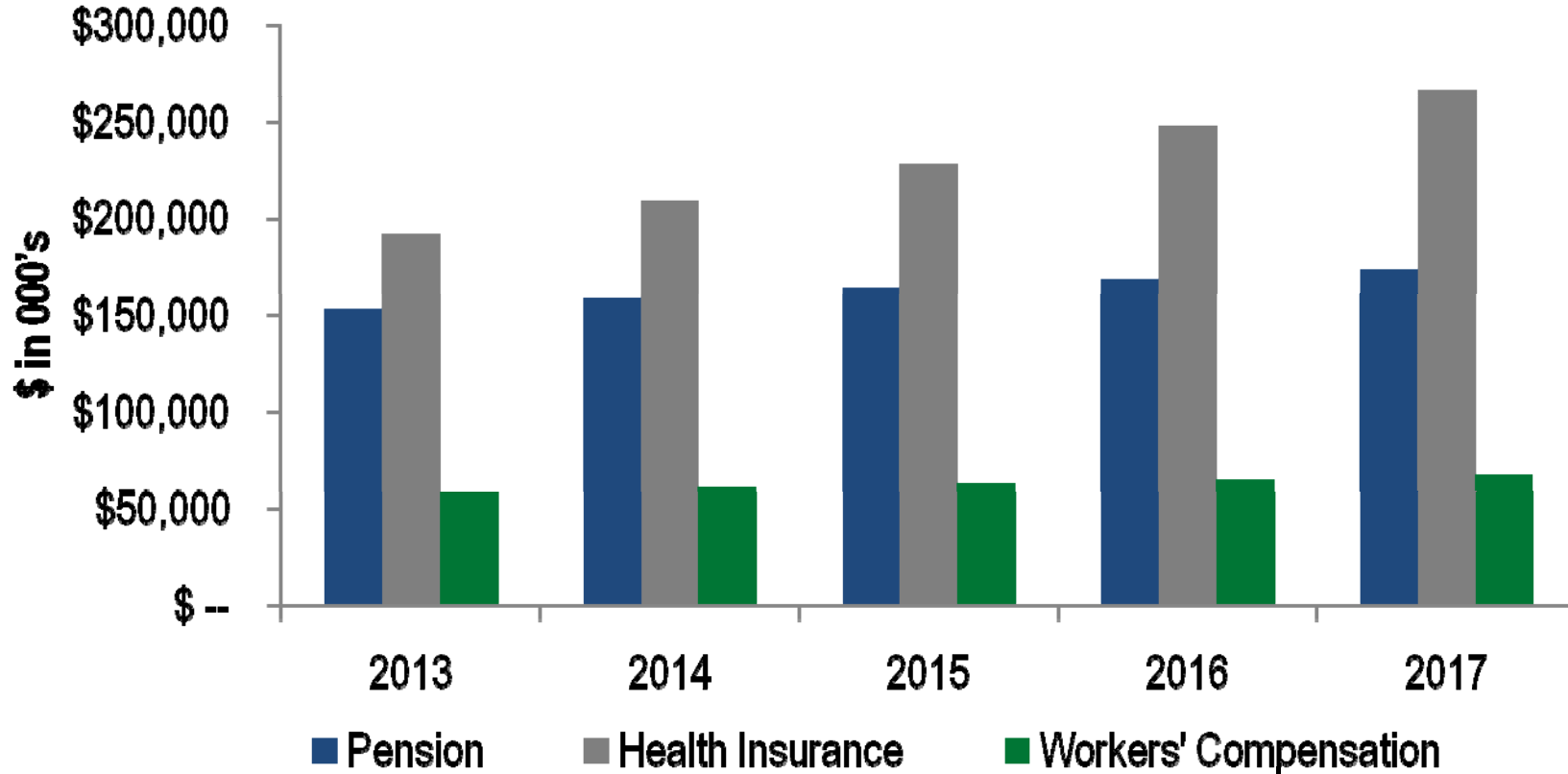
Impact

- Reduction of 73,000 outstanding work orders
- 4% Growth Tenant Rental Revenue, total one-time cumulative increase of \$169M over 2013 – 2017 period
- Subsidies to 4,300 Unfunded Public Housing Units, \$104M annually by 2017
- \$16M for 2015 growing to \$32M in 2016-2017
- Resident Engagement Strategy



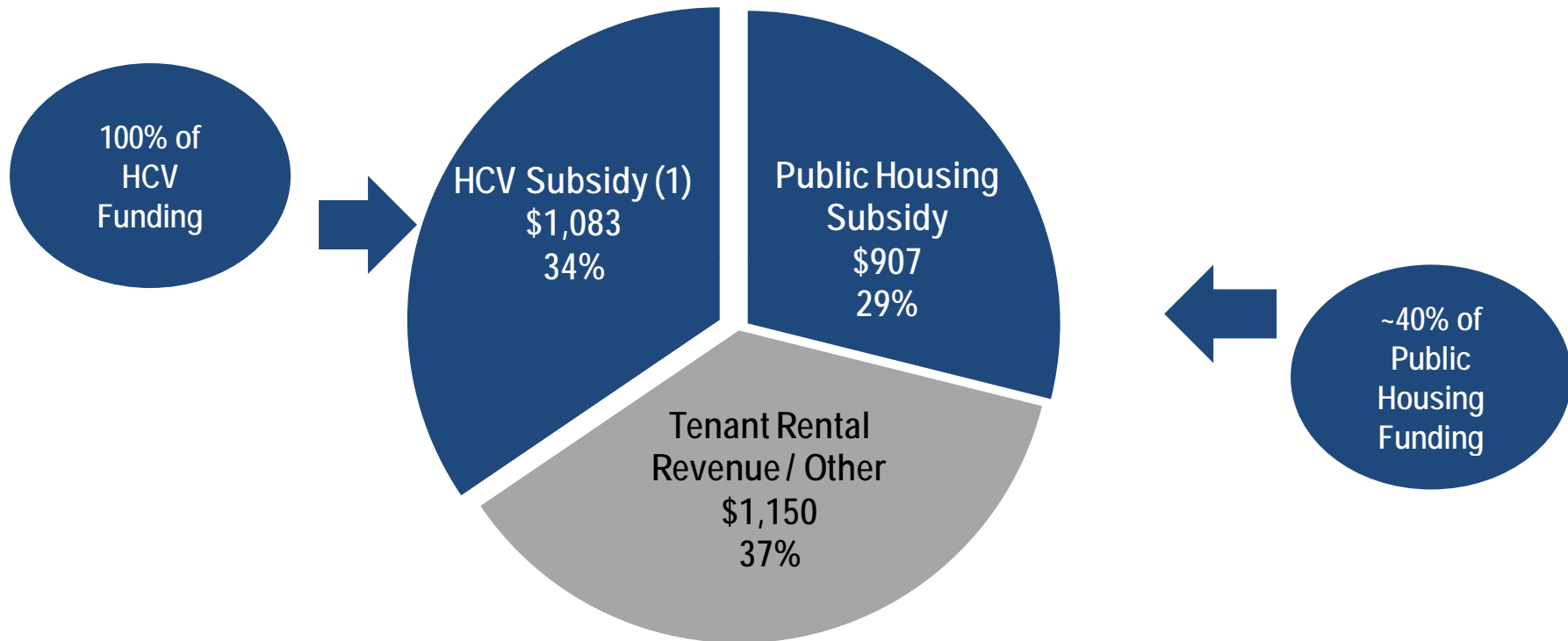
Key Highlights: Expenses

- Pension costs are expected to increase from \$153M in 2013 to \$173M in 2017, a 3% growth rate
- Health insurance costs are expected to increase from \$192M in 2013 to \$266M in 2017, a 9% growth rate
- Workers' compensation is expected to increase from \$59M in 2013 to \$67M in 2017, a 3% growth rate





Reliance on Federal Funding & Appropriations

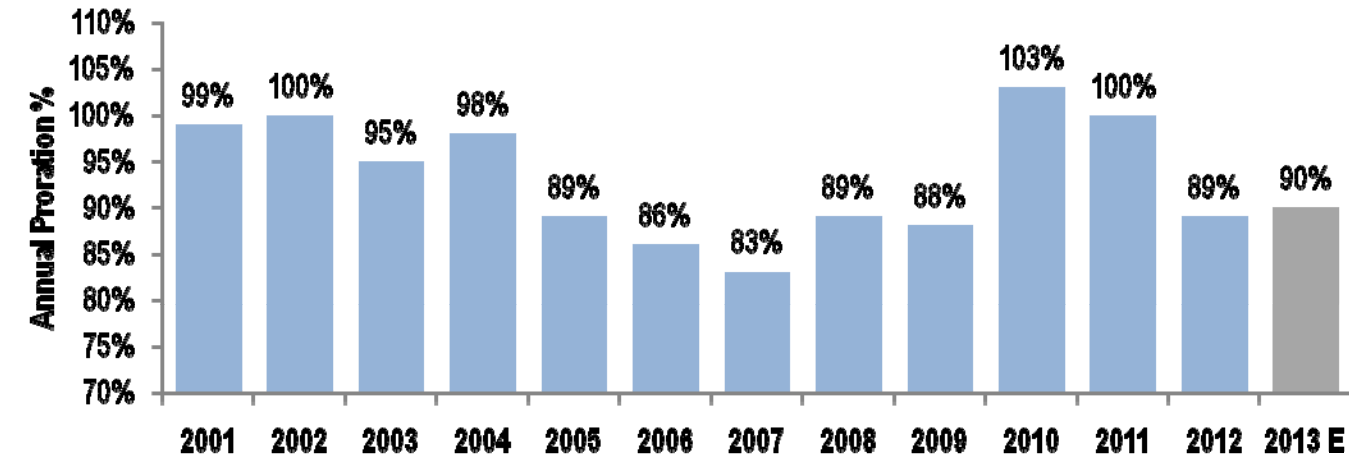


2013 Total Revenue = \$3.140 Billion

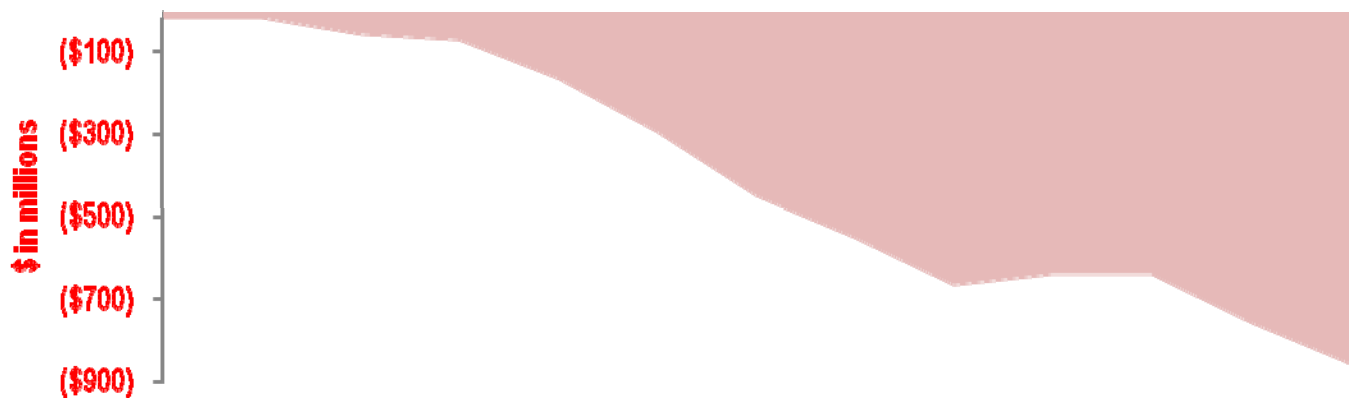
(1) Includes HCV Administrative Revenue



Long-Term Operating Subsidy Underfunding



2001-2013 E
Cumulative
Loss of \$857MM

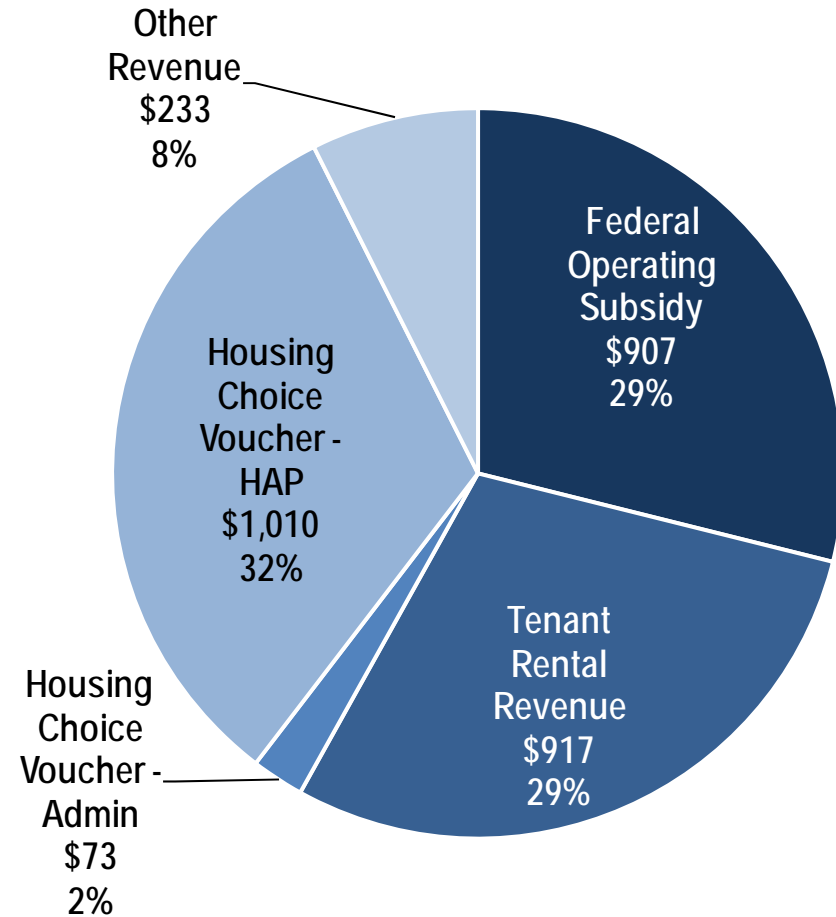




Operating Plan 2013 Revenues

(\$ millions)

Other Revenue	
Capital Fund Reimbursements	\$80
Mixed Finance Federalization Surplus	65
Contract-based Section 8 Properties Surplus	25
Other Revenue from Operations	17
Contract-based Section 8 Properties	11
Categorical Grants	11
Commercial Tenants	9
Other	9
Non-Dwelling Rent	3
Interest on Investments	2
Debt Service Subsidies	1
Total Other Revenue	\$233



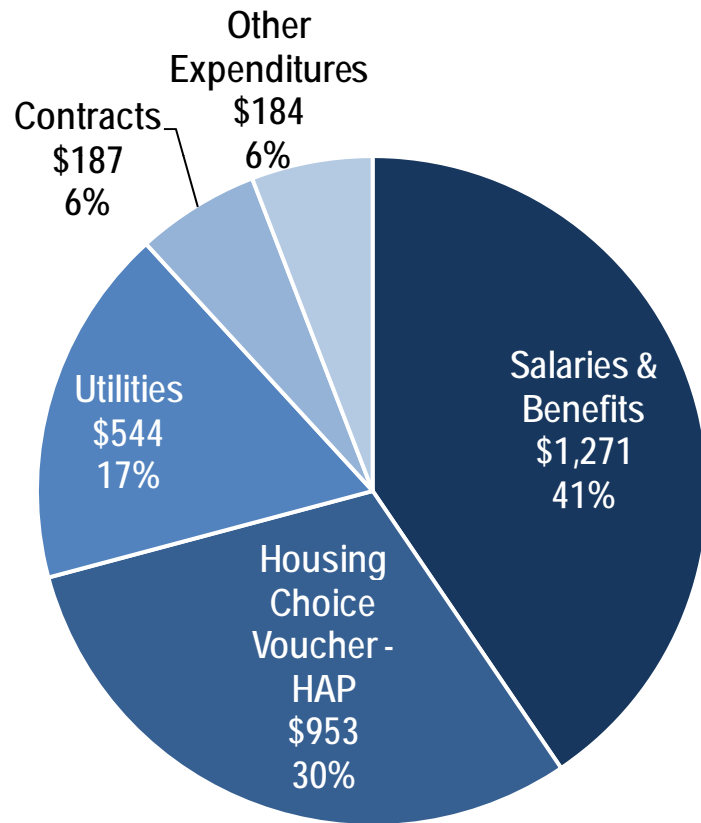
TOTAL \$3.140 B



Operating Plan 2013 Expenditures

(\$ millions)

All Funds Expenditures



TOTAL \$3.139 B

Other Expenditures	
Insurance	\$39
Leases	36
Supplies	35
PILOT	28
Equipment	17
Other	29
Total Other Expenditures	\$184



2013 All Funds Budget Consolidation

\$ in millions	General	HCV	Grants	Elim.	Consolidated
	Fund	Program			
Revenue from Operations	\$935	\$1,083	\$ --	\$ --	\$2,018
Other Revenue	\$1,158	\$1	\$13	(\$50)	\$1,122
Total Revenue	\$2,093	\$1,084	\$13	(\$50)	\$3,139
PS	\$1,207	\$53	\$10	\$ --	\$1,271
OTPS	\$899	\$1,016	\$3	(\$50)	\$1,868
Total Expenses	\$2,106	\$1,070	\$13	(\$50)	\$3,139
Surplus / (Deficit)	(\$13)	\$14	\$ --	(\$0)	\$0.310

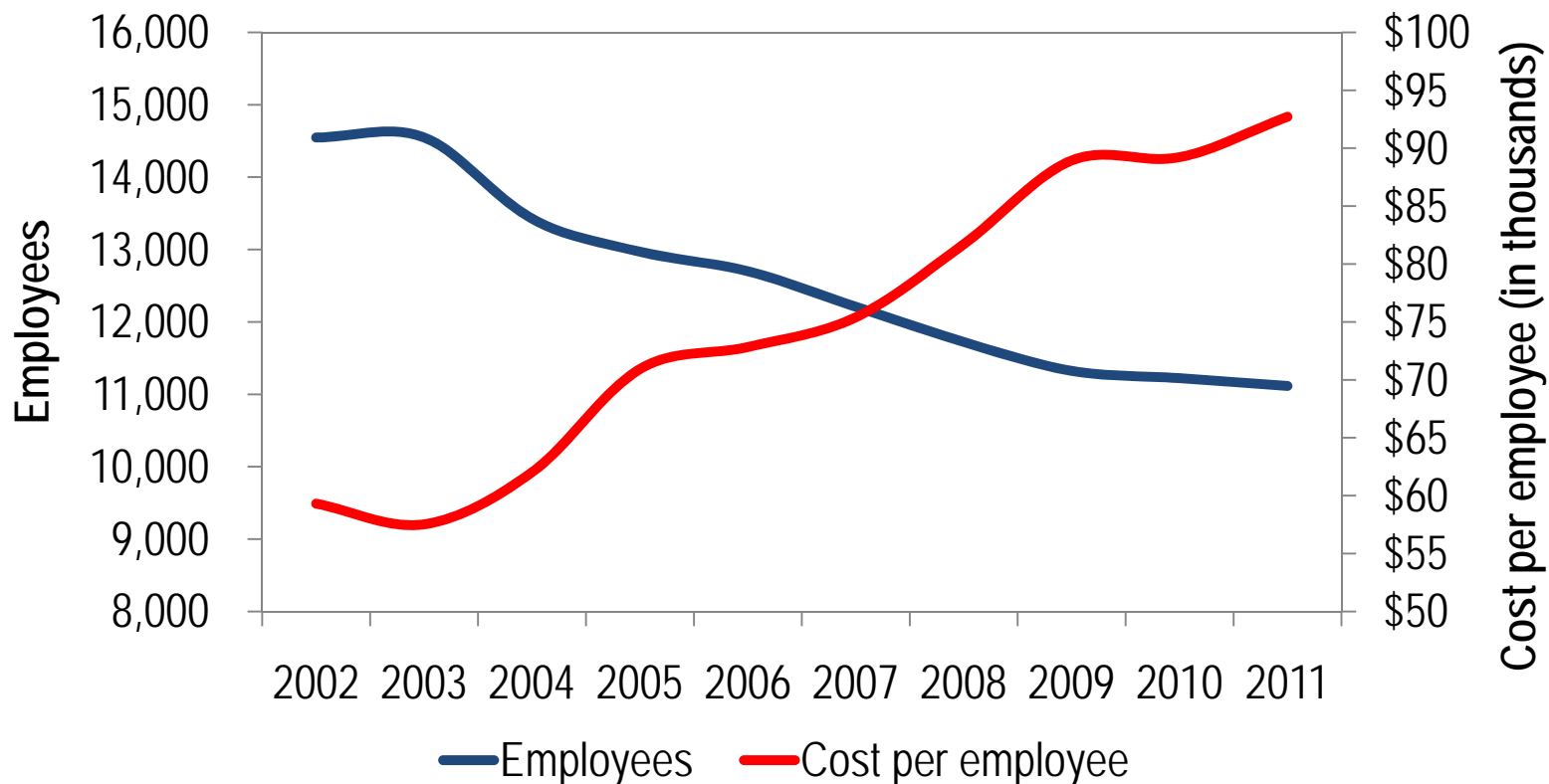
Comments

- \$13 MM General Fund deficit projected for 2013, to be funded from working capital reserves
- \$14 MM HCV Program Fund surplus projected for 2013, with Admin component at breakeven and HAP component having \$14 MM excess revenues over spend. Surplus will add to HAP net restricted assets (NRA)
- Categorical grants modeled as “breakeven”, but in reality generally function on a reimbursement basis. Includes DOL grant.
- Eliminations includes the HCV Management Fee paid from the HCV Program to the General Fund, and the HCV Phased Conversion income to the General Fund which shows as HAP Spend in the HCV Program
- Assuming no sequestration, small operating surplus of \$310K



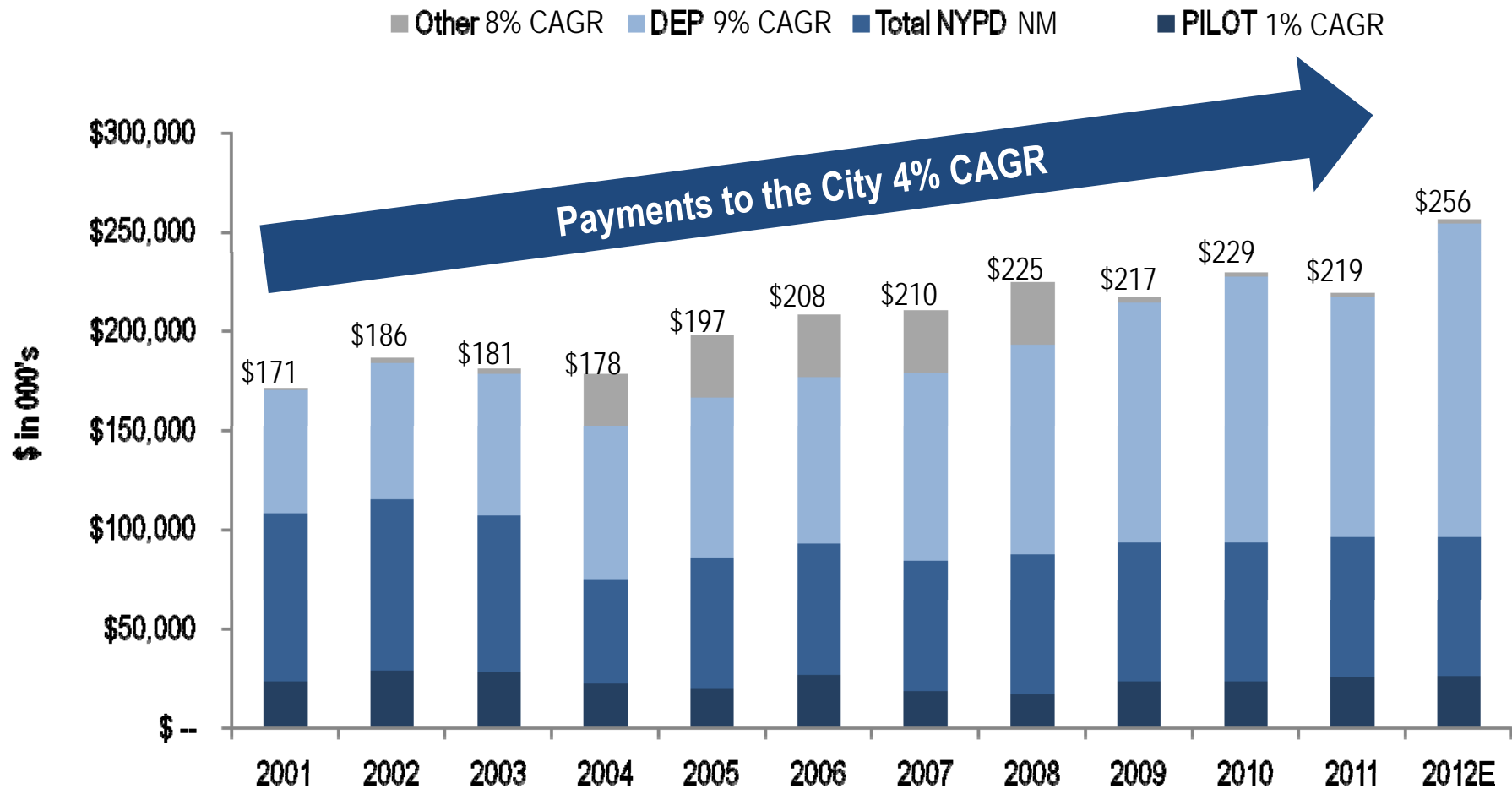
Uncontrollable Costs

NYCHA has cut over 3,000 employees while labor costs per employee have risen 5% annually





Payments to the City

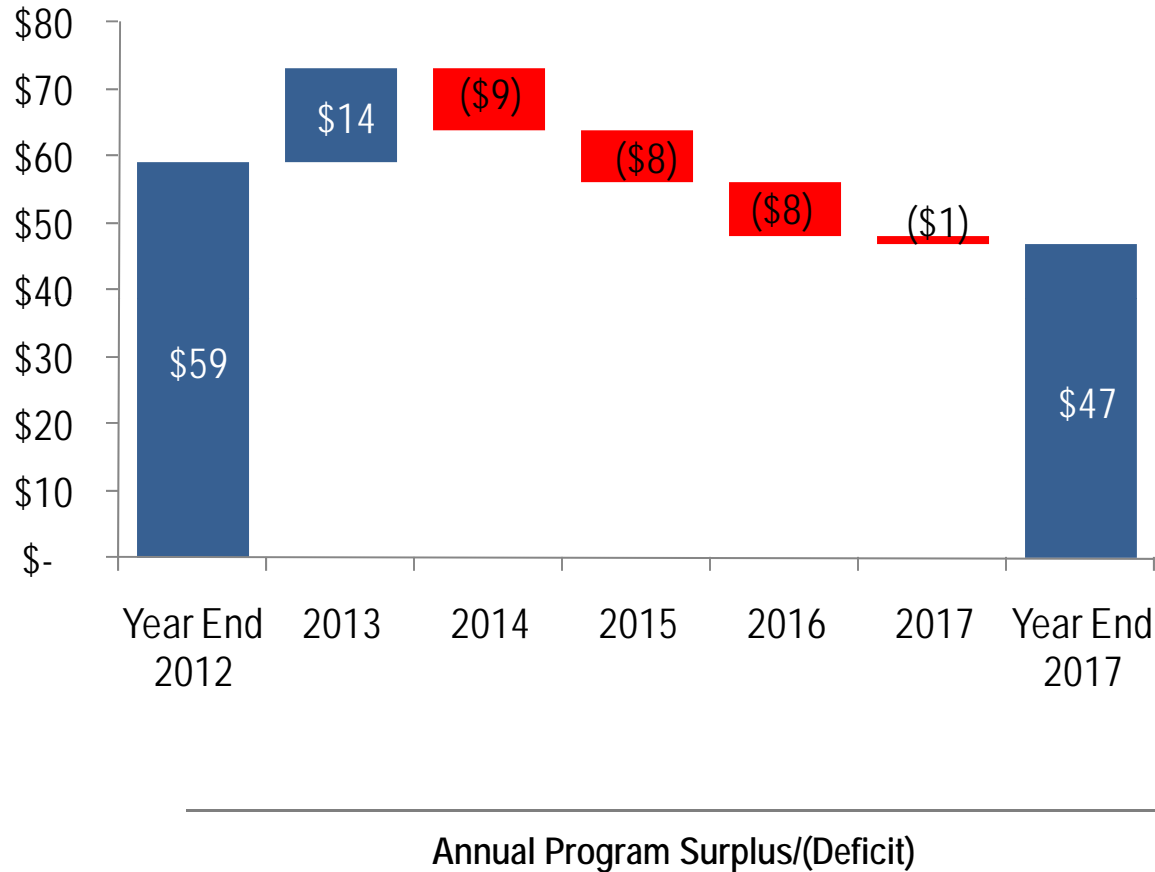


Other includes DOI, DFTA, Sanitation, OPA, PACES, EAP



HCV Program Reserves Forecast

(\$ millions)



Note: Chart combines presentation of HAP and Administrative Fee



Pending Congressional Risks

Impact

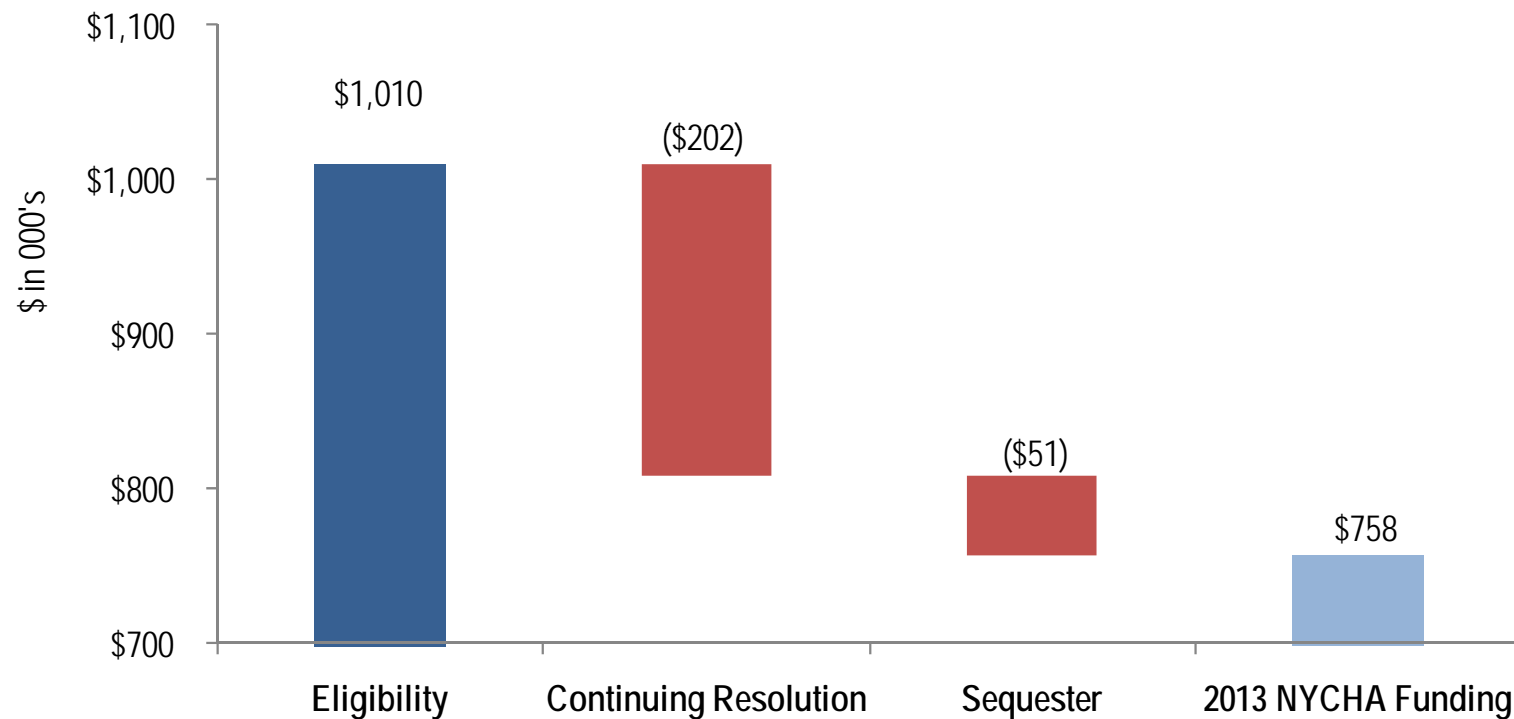
Congressional Risks

- Continuing Resolution
 - None to HCV
 - 80% proration to NYCHA's Operating Subsidy
- Pending Sequestration
 - 2013 Funding Loss of Over \$250M
 - 2013 – 2017 Estimated Funding Loss of Over \$500M



Operating Fund: 2013 Potential Loss to NYCHA

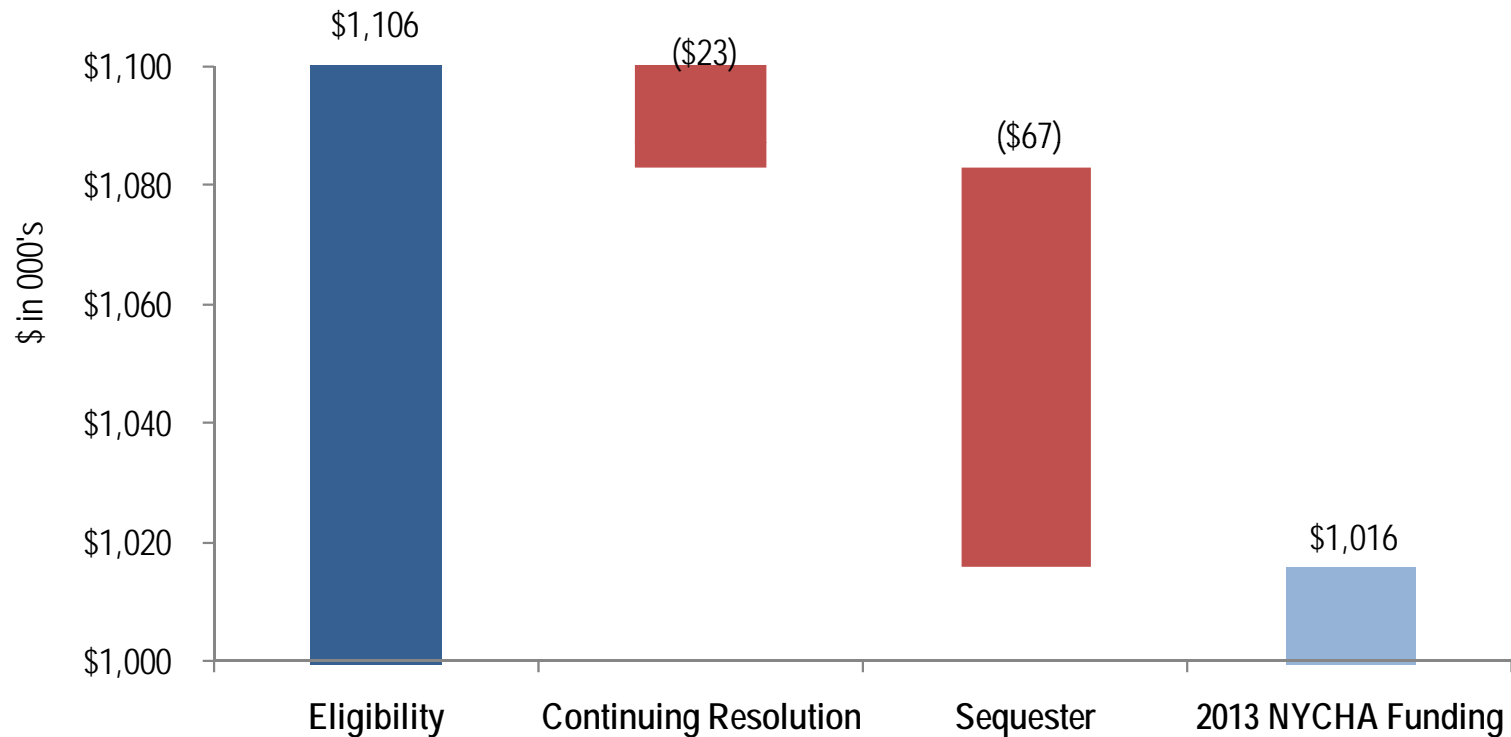
Operating Fund: Potential Loss to NYCHA of over \$253 million





HCV: 2013 Potential Loss to NYCHA

HCV: Potential Loss to NYCHA of over \$89 million





Questions & Answers

