

Housing Commission
PUBLIC HOUSING BUSINESS UNIT

PRIMARY SERVICES

- Own & manage public housing stock
- Transition housing stock to RAD program
- Property maintenance
- Tenant leasing & income certifications

FINANCIAL SUMMARY

	Actual					Projected		
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)
<u>PUBLIC HOUSING</u>								
<i>Revenue:</i>								
Tenant Rent	\$ 818	\$ 858	\$ 831	\$ 291	\$ 124	\$ 75	\$ 60	\$ -
HUD Operating Subsidy	1,401	1,296	1,187	416	290	178	158	-
HUD Capital Grants	133	316	140	-	23	-	-	-
City General Fund	42	152	163	94	107	25	18	-
Other Government Grants	4	267	309	-	-	-	-	-
Other Revenue	2	32	5	584	3	-	-	-
Total Revenue	<u>\$ 2,400</u>	<u>\$ 2,921</u>	<u>\$ 2,635</u>	<u>\$ 1,385</u>	<u>\$ 547</u>	<u>\$ 278</u>	<u>\$ 236</u>	<u>\$ -</u>
<i>Expense:</i>								
Salaries/Benefits	\$ 463	\$ 522	\$ 642	\$ 256	\$ 43	\$ 67	\$ 67	\$ -
Admin Other	236	298	293	117	57	29	29	-
Tenant (Human) Services	128	126	133	53	2	1	1	-
Utilities	382	380	408	163	35	36	36	-
Maintenance Salaries/Benefits	354	386	343	137	61	66	66	-
Maintenance Buildings	559	701	532	213	119	58	58	-
Insurance	68	58	72	29	19	19	19	-
All Other	14	10	9	3	8	5	5	-
Sub-total Operating Expense	<u>\$ 2,204</u>	<u>\$ 2,481</u>	<u>\$ 2,432</u>	<u>\$ 971</u>	<u>\$ 344</u>	<u>\$ 281</u>	<u>\$ 281</u>	<u>\$ -</u>
Project-related costs	142	660	156	683	203	30	15	-
Total Expense	<u>\$ 2,346</u>	<u>\$ 3,141</u>	<u>\$ 2,588</u>	<u>\$ 1,654</u>	<u>\$ 547</u>	<u>\$ 311</u>	<u>\$ 296</u>	<u>\$ -</u>
Net	\$ 54	\$ (220)	\$ 47	\$ (269)	\$ -	\$ (33)	\$ (60)	\$ -
 <i>Memo:</i>								
Number of Units	355	355	355	107	50	49	49	-
Total fund balance	\$ 771	\$ 551	\$ 598	\$ 329	\$ 329	\$ 296	\$ 236	\$ -

OBSERVATIONS ABOUT ABOVE FINANCIALS:

- 5th and final phase of RAD conversion was not completed in 2017. Projected completion in FY19
- FY16 included the conversion of 3rd & 4th phase of RAD conversion mid-year
- FY15 includes a one-time loss resulting from activities associated with transitioning the properties to RAD.
- After RAD conversion, all public housing fund balance will move to support Broadway Terrace until a decision is made on what the strategy is for that property.
- Garden Circle is not public housing but is included here as HUD -restricted property. HUD must approve fund balance expenditures

CHALLENGES/OPPORTUNITIES IN OPERATING THIS BUSINESS

- 5th and Final phase of RAD conversion has applied for tax credits 3 times unsuccessfully which is critical funding source
- Transition period will strain existing resources due to poor building conditions and high vacancies
- City support for Public Housing program will go away once all properties are converted.

FUND BALANCE (Net Assets)

	<u>FY 2018</u>
	(\$ 000s)
6/30/18 - Total Fund Balance (Net Assets)	\$ 236
Less:	
4 months operating costs while public housing operating reserve	(94)
Restricted - Turnkey III (Garden Circle) - HUD approval required	(202)
Subtotal Available Fund Balance	\$ (60)

Known Risks

- AAHC may not receive low income tax credits. Risk is estimated to be moderate, but if it occurs significant maintenance would be required until successful at securing tax credits.
- Low Income Housing Tax Credit market has dropped about 15% in pricing, which means that when the the final RAD phase is awarded tax credits, the AAHC will get about \$1.7 million less in funding from investors than originally projected. Market for tax credits has dropped due to investors projecting significant business tax cuts by Trump Administration