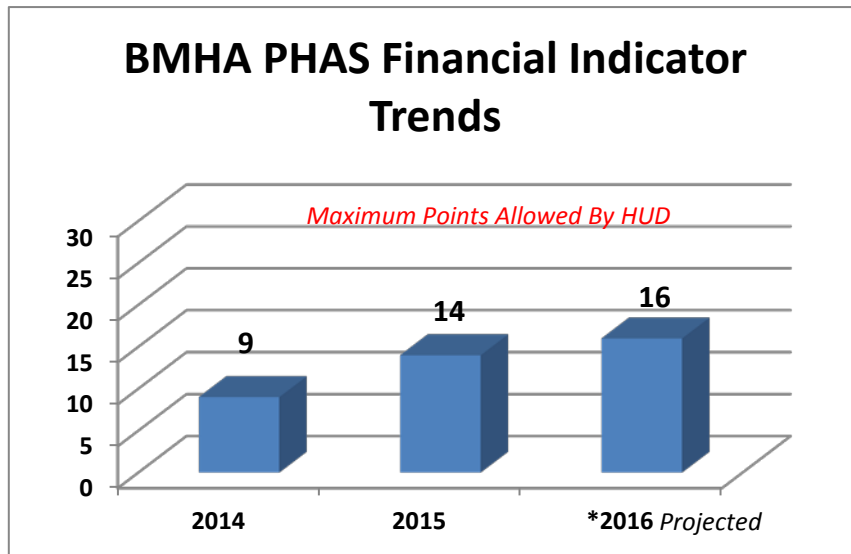




Buffalo Municipal Housing Authority

Executive Summary – FYE 2017 - 2020

Pursuant to the Buffalo Fiscal Stability Authority’s requirements, the Buffalo Municipal Housing Authority (“BMHA”) is pleased to present its proposed four-year plan for the period July 1, 2017 and ending June 30, 2021. The overall plan has an operating income of \$2.3 Million prior to any debt service and inclusive of Other Post-Employment Benefits (OPEB) for our existing employees, which have no cash



impact on the Buffalo Municipal Housing Authority. In an effort to minimize drastic reduction in services to our residents, the financial plan must rely on \$2.1 million of asset management project operating reserves on the first year of the plan. This is necessitated by the continued reduction of the Federal Operating Subsidy due to the underfunding by federal appropriators. The use of

operating reserves will have a minimal impact to the financial indicator of the Public Housing Assessment Sub-System (PHAS) scores. The BMHA has increased its financial position in the last several fiscal years thereby providing for the opportunity to use operating reserves while minimizing the PHAS scores.

The Authority continues to strategize on how to best position its assets in order to maximize funding and provide more stable housing to its residents. The Rental Assistance Demonstration (RAD) and the Low Income Housing Tax Credit programs are the most advantageous to address the capital needs of the federal assets. Further discussion in the Asset Repositioning section of the plan will demonstrate the efforts being made to enhance the physical conditions of some of our more challenging developments.

Threats

Underfunding by congressional appropriations continues to challenge the Authority’s ability to provide all of the basic services to the residents. BMHA continues to address the many challenges of underfunding by federal appropriators and significant physically distressed public housing units. The

below chart illustrates the impact to the BMHA’s operations should the proposed additional decrease in funding be approved by Congress:

Operating Subsidy Funding Comparison				
	2017	2016	Change	% Change
Nationwide Eligible	5,278,872,129	4,913,372,864	365,499,265	7%
HUD Request	4,569,000,000	4,500,000,000	69,000,000	2%
Proration	87%	90.21%		
BMHA Eligible Amount	17,606,427	19,294,134	(1,687,707)	-9%
Subsidy Amount	15,238,817	17,405,238	(2,166,422)	-12%
Unfunded Amount	2,367,610	1,888,896	478,715	25%
Alternative Scenario (Additional 13% Reduction)				
National Eligible	5,278,872,129	4,913,372,864	365,499,265	7%
HUD Request	3,975,030,000	4,500,000,000	(524,970,000)	-12%
Proration	75%	90.21%		
BMHA Eligible Amount	17,606,427	19,294,134	(1,687,707)	-9%
Subsidy Amount	13,257,771	17,405,238	(4,147,468)	-24%
Unfunded Amount	4,348,656	1,888,896	2,459,761	130%

Opportunities

The New York State Budget for 2017-2018 has been approved containing \$2.5 billion for affordable housing, 100,000 housing units, and a 5-year affordable housing plan.

These funds will go a long way in assisting BMHA through its not-for-profit development entity, Bridges Development, Inc., to assist the Authority in its mission to provide and/or develop affordable housing. New opportunities such as developing areas in the neighborhoods surrounding the Shaffer Village Development are being discussed and pursued.

Potential opportunities to partner with the Homeless Alliance of Western New York (HAWNY) to address the need for additional supportive housing while incorporating public housing units in the new developments also exists.

Summary Narrative of Budget and Financial Plan

While it has been the plan of the BMHA to not rely on the operating reserves to balance its operations, due to the drastic reduction in operating subsidy from the federal government, \$2.1 million

of operating reserves are now allocated in the first year of the financial plan. The use of reserves is necessary to avoid further reductions in services to the residents. The subsequent years of the plan have no reserve allocation; however, we are estimating an increase in operating subsidy due to the increase in utility costs.

Revenues

The combined revenues total of \$44.9 million which represents \$770 thousand less than the previous fiscal year budget \$45.7 million or 1.6% decrease. Including as a revenue source, is the \$2.1 million in operating reserves.

Operating subsidy is projected at a proration of 90% of eligible funding with an occupancy rate of 95% (excluding A.D. Price Courts and Commodore Perry Homes). An inflation factor of 2% for the remaining 3 years (FYE 2019, 2020, 2021) to the dwelling rental income and the HAP payments. The operating subsidy is forecast to increase 10% in year two (2)

of the plan and zero increase thereafter. This increase is projected as a result of the utility costs for this year being factored in the subsidy calculations for year two (2) of the plan. The occupancy rate is maintained at 95% throughout the plan years.

The Capital fund administrative revenues 10% of approximately \$7.8 million capital fund allocation per year. Capital fund operations (1406) and management improvements (1408) are allocated at \$2.1 million and \$650 thousands, respectively.

Expenses

Overall expenses are budgeted at \$44.6 million representing a \$690 thousand increase over the previous year's budget of 43.9 million or 1.5%. The largest expense increase from the previous year's budget maintenance expenses by \$1 million or 11% more. This is due to increase in unit turnaround and subsidy payments to new properties.

The BMHA has applied an inflation factor of 3% for utilities, employee benefits, and OPEB legacy cost. A five % (5%) reduction to unit turnaround and OPEB Normal in the second year of the plan, and zero increase thereafter. The BMHA will continue to focus on vacant apartment preparation and retention of tenants in order to achieve full occupancy of available units during the life of the plan.

Buffalo Municipal Housing Authority
Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	Federal AMPs FYE 2018	COCC FYE 2018
TOTAL NET DWELLING RENT	10,415,940	-
Non-Dwelling Rental Income	180,397	-
TOTAL SUBSIDY	15,845,784	-
Fraud Recovery	-	-
HUD PHA Grants - Vouchers	-	-
Laundry Income	58,611	-
Interest Earned	-	6
Other Income	413,637	12,023
HCV Admin Fee Earned	-	-
Management Fees Earned	-	2,534,203
Asset Management Fee Earned	-	167,877
Bookkeeping Fees Earned	-	319,937
Front Line Service Fees	(2,182)	239,791
Other Fees	-	100,000
Retro Charges - Non retro rent	5,958	-
CFP Admin Fee	-	780,000
1406 Transfers	2,039,300	-
1408 Transfers	647,124	-
Operating Reserves	2,175,724	-
Total Other Revenue	5,338,172	4,153,836
TOTAL REVENUES	31,780,293	4,153,836
TOTAL ADMINISTRATIVE EMPLOYEE COSTS	1,914,108	1,822,475
Compensated Absences	-	-
Legal Expense - External	5,143	3,007
Management Fee	2,356,821	-
Management Fee-State	-	-
Bookkeeping Fee	286,907	-
Asset Management Fee	167,877	-
Staff Training	679	15,369
Travel	69,211	46,570
Central Office Expense	-	-
Auditing Fees	28,296	3,000
Sundry	22,369	124,989
Office Supplies	14,951	9,634
Marketing & Advertising	11,203	11,847
Telephone and Internet Expenses	-	27,069
Software and Office Equipment	-	40,196
Tenant receivable Collection Cost	-	-
TOTAL ADMINISTRATIVE EXPENSES	5,380,765	2,104,156
TOTAL RESIDENT SERVICES EMPLOYEE COSTS	104,534	-
Resident Serv - Materials	21,944	-

Buffalo Municipal Housing Authority

Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	Federal AMPs FYE 2018	COCC FYE 2018
Res Serv - Tenant Council Supplies	2,225	-
Resident Serv - Contract Costs	463,222	-
Tenant Representative Stipend	42,600	-
Total Council Resident Services	529,992	-
Res Serv - Tenant Council Contracts	5,607	2,200
Resident Services - Participation Funds	78,730	-
Resident Relocation Costs	6,100	-
TOTAL RESIDENT SERVICES COSTS	724,962	2,200
UTILITY EXPENSES	-	-
Water	983,276	3,015
Sewer	548,244	1,791
Electric	1,599,450	11,892
Gas	1,009,442	1,497
Fuel	-	-
TOTAL UTILITY EMPLOYEE COST	404,611	1,450
Miscellaneous Utility Costs	210,827	-
Utility Reimbursements	200	-
TOTAL UTILITY EXPENSES	4,756,051	19,645
TOTAL MAINTENANCE EMPLOYEE COSTS	3,232,121	268,151
Maintenance Materials	430,156	2,597
Maintenance Equipment	38,467	-
TOTAL MATERIALS AND SUPPLIES	468,622	2,597
Maintenance Contract Costs - Misc	729,405	-
Garbage & Trash Removal	463,132	-
Unit Turnaround	1,095,806	-
Janitorial Costs	9,458	-
Exterminating Costs	168,279	-
Landscaping & Grounds	37,041	-
Plumbing & Gas System	71,842	-
Electrical Systems	19,545	759
Heating & Ventilating	141,796	-
Elevators	92,789	-
Snow Removal	217,602	-
Maintenance Costs - LIHTC	1,582,333	-
TOTAL MAINTENANCE CONTRACT COSTS	4,629,029	759
TOTAL MAINTENANCE EXPENSES	8,329,773	271,507
Protective Services - Salaries	63,488	78,176
Protective Services - Materials	75	-
Protective Services - Contract Costs	1,050,579	5,111
TOTAL PROTECTIVE SERVICES COSTS	1,114,142	83,287
GENERAL EXPENSES	-	-
Property Insurance	483,956	17,718
Liability Insurance	689,988	11,648

Buffalo Municipal Housing Authority
Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	Federal AMPs FYE 2018	COCC FYE 2018
Workers Compensation Insurance	933,584	156,194
Other Insurances	220,821	5,206
TOTAL INSURANCES	2,328,349	190,767
PILOT	170,366	-
Employee Benefits	3,422,892	1,317,659
OPEB - Normal cost	895,541	428,724
OPEB - Legacy	3,456,134	-
Collection Loss	208,320	-
Interest On Admin Notes	804,551	4,188
Other General Expense	32,876	5,320
TOTAL GENERAL EXPENSES	11,319,029	1,946,658
TOTAL ORDINARY & ROUTINE EXPENSES	31,624,722	4,427,454
EXTRAORDINARY EXPENSES	-	-
Extraordinary Maintenance	-	-
Casualty Loss	11,199	-
TOTAL EXTRAORDINARY EXPENSES	11,199	-
OTHER EXPENSES	-	-
HAP	-	-
UAP	-	-
Port Out HAP	-	-
Port Out Admin Fee	-	-
Real Estate Taxes	5,646	-
FSS Expense	29,193	-
TOTAL OTHER EXPENSES	34,839	-
Depreciation Expense	-	-
Amortization Expense	-	-
Gain/Loss On Disposition Of Fixed Assets	-	-
TOTAL EXPENSES	31,670,760	4,427,454
NET INCOME	109,533	(273,618)
Debt Service	1,005,074	5,217
Income after Debt Service	(895,541)	(278,835)
OPEB Normal	895,541	428,724
Cash Impact After OPEB Normal	0	149,889

Buffalo Municipal Housing Authority
Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	Marine Drive FYE 2018	Section 8 FYE 2018
TOTAL NET DWELLING RENT	3,353,993	-
Non-Dwelling Rental Income	47,676	-
TOTAL SUBSIDY	-	-
Fraud Recovery	-	7,333
HUD PHA Grants - Vouchers	-	4,863,345
Laundry Income	67,354	-
Interest Earned	2,686	23
Other Income	41,744	-
HCV Admin Fee Earned	-	626,577
Management Fees Earned	-	-
Asset Management Fee Earned	-	-
Bookkeeping Fees Earned	-	-
Front Line Service Fees	-	-
Other Fees	-	-
Retro Charges - Non retro rent	-	-
CFP Admin Fee	-	-
1406 Transfers	-	-
1408 Transfers	-	-
Operating Reserves	-	-
Total Other Revenue	111,784	5,497,277
TOTAL REVENUES	3,513,453	5,497,277
TOTAL ADMINISTRATIVE EMPLOYEE COSTS	188,261	-
Compensated Absences	2,500	-
Legal Expense - External	842	-
Management Fee	-	380,829
Management Fee-State	177,382	-
Bookkeeping Fee	-	33,030
Asset Management Fee	-	-
Staff Training	-	-
Travel	2,765	-
Central Office Expense	-	-
Auditing Fees	10,164	15,857
Sundry	4,413	8,202
Office Supplies	986	219
Marketing & Advertising	935	984
Telephone and Internet Expenses	14,799	8,122
Software and Office Equipment	12,563	2,374
Tenant receivable Collection Cost	4,983	-
TOTAL ADMINISTRATIVE EXPENSES	420,593	449,617
TOTAL RESIDENT SERVICES EMPLOYEE COSTS	-	-
Resident Serv - Materials	-	-

Buffalo Municipal Housing Authority

Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	Marine Drive FYE 2018	Section 8 FYE 2018
Res Serv - Tenant Council Supplies	-	-
Resident Serv - Contract Costs	2,432	107
Tenant Representative Stipend	8,160	-
Total Council Resident Services	10,592	-
Res Serv - Tenant Council Contracts	-	-
Resident Services - Participation Funds	-	-
Resident Relocation Costs	99	-
TOTAL RESIDENT SERVICES COSTS	21,284	107
UTILITY EXPENSES	-	-
Water	55,000	-
Sewer	27,500	-
Electric	250,000	-
Gas	263,750	-
Fuel	-	-
TOTAL UTILITY EMPLOYEE COST	-	-
Miscellaneous Utility Costs	19,000	-
Utility Reimbursements	-	-
TOTAL UTILITY EXPENSES	615,250	-
TOTAL MAINTENANCE EMPLOYEE COSTS	658,802	-
Maintenance Materials	49,321	-
Maintenance Equipment	6,234	-
TOTAL MATERIALS AND SUPPLIES	55,556	-
Maintenance Contract Costs - Misc	283,132	8,529
Garbage & Trash Removal	36,439	-
Unit Turnaround	125,273	-
Janitorial Costs	2,376	-
Exterminating Costs	10,176	-
Landscaping & Grounds	9,062	-
Plumbing & Gas System	12,668	-
Electrical Systems	845	-
Heating & Ventilating	6,412	-
Elevators	66,596	-
Snow Removal	35,892	-
Maintenance Costs - LIHTC	-	-
TOTAL MAINTENANCE CONTRACT COSTS	588,871	8,529
TOTAL MAINTENANCE EXPENSES	1,303,229	8,529
Protective Services - Salaries	-	-
Protective Services - Materials	-	-
Protective Services - Contract Costs	72,559	-
TOTAL PROTECTIVE SERVICES COSTS	72,559	-
GENERAL EXPENSES	-	-
Property Insurance	34,423	-
Liability Insurance	26,108	605

Buffalo Municipal Housing Authority
Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	Marine Drive FYE 2018	Section 8 FYE 2018
Workers Compensation Insurance	10,170	-
Other Insurances	10,329	-
TOTAL INSURANCES	81,030	605
PILOT	-	-
Employee Benefits	344,465	-
OPEB - Normal cost	110,302	-
OPEB - Legacy	-	-
Collection Loss	29,357	-
Interest On Admin Notes	174,954	-
Other General Expense	5,285	28,181
TOTAL GENERAL EXPENSES	745,393	28,786
TOTAL ORDINARY & ROUTINE EXPENSES	3,178,308	487,039
EXTRAORDINARY EXPENSES	-	-
Extraordinary Maintenance	-	-
Casualty Loss	-	-
TOTAL EXTRAORDINARY EXPENSES	-	-
OTHER EXPENSES	-	-
HAP	-	4,646,069
UAP	-	37,113
Port Out HAP	-	185,018
Port Out Admin Fee	-	10,056
Real Estate Taxes	10,561	-
FSS Expense	-	-
TOTAL OTHER EXPENSES	10,561	4,878,256
Depreciation Expense	-	-
Amortization Expense	-	-
Gain/Loss On Disposition Of Fixed Assets	-	-
TOTAL EXPENSES	3,188,869	5,365,295
NET INCOME	324,584	131,982
Debt Service	183,842	-
Income after Debt Service	140,742	131,982
OPEB Normal	110,302	-
Cash Impact After OPEB Normal	251,044	131,982

Buffalo Municipal Housing Authority

Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	Total Combined FYE 2017	Total Combined FYE 2018
TOTAL NET DWELLING RENT	13,865,408.00	13,769,933
Non-Dwelling Rental Income	69,386.00	228,073
TOTAL SUBSIDY	17,599,779.00	15,845,784
Fraud Recovery	-	7,333
HUD PHA Grants - Vouchers	5,804,430.00	4,863,345
Laundry Income	102,513.00	125,965
Interest Earned	770.00	2,714
Other Income	484,887	467,404
HCV Admin Fee Earned	751,804	626,577
Management Fees Earned	2,478,423	2,534,203
Asset Management Fee Earned	170,880	167,877
Bookkeeping Fees Earned	436,940	319,937
Front Line Service Fees	160,313	237,609
Other Fees	219,906	100,000
Retro Charges - Non retro rent	2,746	5,958
CFP Admin Fee	780,000	780,000
1406 Transfers	2,137,000	2,039,300
1408 Transfers	650,000	647,124
Operating Reserves		2,175,724
Total Other Revenue	14,180,612	15,101,069
TOTAL REVENUES	45,715,185	44,944,859
TOTAL ADMINISTRATIVE EMPLOYEE COSTS	3,832,274	3,924,844
Compensated Absences	-	2,500
Legal Expense - External	122,600	8,992
Management Fee	2,478,423	2,737,649
Management Fee-State	219,906	177,382
Bookkeeping Fee	436,940	319,937
Asset Management Fee	170,880	167,877
Staff Training	-	16,048
Travel	92,900	118,547
Central Office Expense	32,829	-
Auditing Fees	39,408	57,317
Sundry	1,201,886	159,973
Office Supplies	33,904	25,790
Marketing & Advertising	30,578	24,969
Telephone and Internet Expenses	-	49,990
Software and Office Equipment	-	55,133
Tenant receivable Collection Cost	-	4,983
TOTAL ADMINISTRATIVE EXPENSES	8,692,528	8,355,131
TOTAL RESIDENT SERVICES EMPLOYEE COSTS	117,233	104,534
Resident Serv - Materials	1,886	21,944

Buffalo Municipal Housing Authority

Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	Total Combined FYE 2017	Total Combined FYE 2018
Res Serv - Tenant Council Supplies	15,833	2,225
Resident Serv - Contract Costs	368,996	465,762
Tenant Representative Stipend	51,200	50,760
Total Council Resident Services	437,915	540,584
Res Serv - Tenant Council Contracts	17,901	7,807
Resident Services - Participation Funds	56,642	78,730
Resident Relocation Costs	23,400	6,199
TOTAL RESIDENT SERVICES COSTS	653,091	748,554
UTILITY EXPENSES	-	-
Water	944,904	1,041,291
Sewer	525,407	577,535
Electric	2,242,688	1,861,343
Gas	1,539,164	1,274,689
Fuel	-	-
TOTAL UTILITY EMPLOYEE COST	582,425	406,061
Miscellaneous Utility Costs	182,350	229,827
Utility Reimbursements	-	200
TOTAL UTILITY EXPENSES	6,016,938	5,390,946
TOTAL MAINTENANCE EMPLOYEE COSTS	3,860,116	4,159,075
Maintenance Materials	430,480	482,073
Maintenance Equipment	45,759	44,701
TOTAL MATERIALS AND SUPPLIES	476,239	526,775
Maintenance Contract Costs - Misc	1,027,581	1,021,066
Garbage & Trash Removal	391,205	499,571
Unit Turnaround	867,533	1,221,080
Janitorial Costs	21,375	11,834
Exterminating Costs	188,611	178,455
Landscaping & Grounds	52,233	46,104
Plumbing & Gas System	51,200	84,510
Electrical Systems	24,516	21,149
Heating & Ventilating	112,859	148,208
Elevators	177,104	159,385
Snow Removal	219,350	253,494
Maintenance Costs - LIHTC	1,427,062	1,582,333
TOTAL MAINTENANCE CONTRACT COSTS	4,560,629	5,227,188
TOTAL MAINTENANCE EXPENSES	8,896,984	9,913,037
Protective Services - Salaries	182,755	141,664
Protective Services - Materials	400	75
Protective Services - Contract Costs	779,033	1,128,249
TOTAL PROTECTIVE SERVICES COSTS	962,188	1,269,988
GENERAL EXPENSES	-	-
Property Insurance	508,630	536,097
Liability Insurance	515,291	728,350

Buffalo Municipal Housing Authority
Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	Total Combined FYE 2017	Total Combined FYE 2018
Workers Compensation Insurance	928,210	1,099,948
Other Insurances	313,612	236,357
TOTAL INSURANCES	2,265,743	2,600,751
PILOT	78,616	170,366
Employee Benefits	4,884,870	5,085,017
OPEB - Normal cost	1,524,985	1,434,567
OPEB - Legacy	3,122,051	3,456,134
Collection Loss	350,570	237,676
Interest On Admin Notes	627,116	983,693
Other General Expense	30,466	71,662
TOTAL GENERAL EXPENSES	12,884,417	14,039,867
TOTAL ORDINARY & ROUTINE EXPENSES	38,106,146	39,717,522
EXTRAORDINARY EXPENSES	-	-
Extraordinary Maintenance	-	-
Casualty Loss	12,000	11,199
TOTAL EXTRAORDINARY EXPENSES	12,000	11,199
OTHER EXPENSES	-	-
HAP	5,804,830	4,646,069
UAP	-	37,113
Port Out HAP	-	185,018
Port Out Admin Fee	11,365	10,056
Real Estate Taxes	14,408	16,207
FSS Expense	12,607	29,193
TOTAL OTHER EXPENSES	5,843,210	4,923,656
Depreciation Expense	-	-
Amortization Expense	-	-
Gain/Loss On Disposition Of Fixed Assets	-	-
TOTAL EXPENSES	43,961,356	44,652,377
NET INCOME	1,753,829	292,482
Debt Service	1,194,133	1,194,133
Income after Debt Service	559,696	(901,651)
OPEB Normal	1,524,985	1,434,567
Cash Impact After OPEB Normal	2,084,681	532,916

Buffalo Municipal Housing Authority

Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	FYE 2019 Combined	FYE 2020 Combined
TOTAL NET DWELLING RENT	14,045,332	14,326,239
Non-Dwelling Rental Income	228,073	228,073
TOTAL SUBSIDY	17,430,363	17,430,363
Fraud Recovery		
HUD PHA Grants - Vouchers	4,960,611	5,059,824
Laundry Income	128,484	131,054
Interest Earned	2,714	2,714
Other Income	467,404	467,404
HCV Admin Fee Earned	639,108	651,890
Management Fees Earned	2,534,203	2,534,203
Asset Management Fee Earned	167,877	167,877
Bookkeeping Fees Earned	319,937	319,937
Front Line Service Fees	237,609	237,609
Other Fees	100,000	100,000
Retro Charges - Non retro rent	5,958	5,958
CFP Admin Fee	780,000	780,000
1406 Transfers	2,039,300	2,039,300
1408 Transfers	647,124	647,124
Operating Reserves	-	-
Total Other Revenue	13,030,329	13,144,894
TOTAL REVENUES	44,734,097	45,129,568
TOTAL ADMINISTRATIVE EMPLOYEE COSTS	3,924,844	3,924,844
Compensated Absences		
Legal Expense - External		
Management Fee	2,737,649	2,737,649
Management Fee-State	177,382	177,382
Bookkeeping Fee	319,937	319,937
Asset Management Fee	167,877	167,877
Staff Training		
Travel	118,547	118,547
Central Office Expense	-	-
Auditing Fees	57,317	57,317
Sundry	143,976	129,578
Office Supplies	25,790	25,790
Marketing & Advertising	24,969	24,969
Telephone and Internet Expenses	49,990	49,990
Software and Office Equipment	55,133	55,133
Tenant receivable Collection Cost	4,983	4,983
TOTAL ADMINISTRATIVE EXPENSES	7,808,394	7,793,996
TOTAL RESIDENT SERVICES EMPLOYEE COSTS	104,534	104,534
Resident Serv - Materials	21,944	21,944

Buffalo Municipal Housing Authority

Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	FYE 2019 Combined	FYE 2020 Combined
Res Serv - Tenant Council Supplies	2,225	2,225
Resident Serv - Contract Costs	465,762	465,762
Tenant Representative Stipend	50,760	50,760
Total Council Resident Services	540,691	540,691
Res Serv - Tenant Council Contracts	7,807	7,807
Resident Services - Participation Funds	78,730	78,730
Resident Relocation Costs	-	-
TOTAL RESIDENT SERVICES COSTS	731,762	731,762
UTILITY EXPENSES		
Water	1,072,530	1,104,706
Sewer	594,861	612,707
Electric	1,917,183	1,974,699
Gas	1,312,930	1,352,317
Fuel	-	-
TOTAL UTILITY EMPLOYEE COST	406,061	406,061
Miscellaneous Utility Costs	229,827	229,827
Utility Reimbursements		
TOTAL UTILITY EXPENSES	5,533,392	5,680,317
TOTAL MAINTENANCE EMPLOYEE COSTS	4,155,902	4,152,792
Maintenance Materials	482,073	482,073
Maintenance Equipment	44,701	44,701
TOTAL MATERIALS AND SUPPLIES	526,775	526,775
Maintenance Contract Costs - Misc	1,000,644	980,631
Garbage & Trash Removal	499,571	499,571
Unit Turnaround	1,160,026	1,102,025
Janitorial Costs	11,834	11,834
Exterminating Costs	178,455	178,455
Landscaping & Grounds	46,104	46,104
Plumbing & Gas System	84,510	84,510
Electrical Systems	21,149	21,149
Heating & Ventilating	148,208	148,208
Elevators	159,385	159,385
Snow Removal	253,494	253,494
Maintenance Costs - LIHTC	1,582,333	1,582,333
TOTAL MAINTENANCE CONTRACT COSTS	5,145,712	5,067,698
TOTAL MAINTENANCE EXPENSES	9,828,388	9,747,265
Protective Services - Salaries	141,664	141,664
Protective Services - Materials	75	75
Protective Services - Contract Costs	1,128,249	1,128,249
TOTAL PROTECTIVE SERVICES COSTS	1,269,987	1,269,987
GENERAL EXPENSES		
Property Insurance	536,097	536,097
Liability Insurance	728,350	728,350

Buffalo Municipal Housing Authority

Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	FYE 2019 Combined	FYE 2020 Combined
Workers Compensation Insurance	1,099,948	1,099,948
Other Insurances	236,357	236,357
TOTAL INSURANCES	2,600,751	2,600,751
PILOT	170,366	170,366
Employee Benefits	5,237,568	5,394,695
OPEB - Normal cost	1,362,839	1,294,697
OPEB - Legacy	3,559,818	3,666,613
Collection Loss	237,676	237,676
Interest On Admin Notes	983,693	983,693
Other General Expense	71,662	71,662
TOTAL GENERAL EXPENSES	14,224,373	14,420,153
TOTAL ORDINARY & ROUTINE EXPENSES	39,396,296	39,643,479
EXTRAORDINARY EXPENSES		
Extraordinary Maintenance	-	-
Casualty Loss		
TOTAL EXTRAORDINARY EXPENSES	-	-
OTHER EXPENSES		
HAP	4,692,529	4,739,455
UAP		
Port Out HAP		
Port Out Admin Fee	10,056	10,056
Real Estate Taxes	16,207	16,207
FSS Expense	29,193	29,193
TOTAL OTHER EXPENSES	4,747,985	4,794,911
Depreciation Expense		
Amortization Expense		
Gain/Loss On Disposition Of Fixed Assets		
TOTAL EXPENSES	44,144,281	44,438,390
NET INCOME	589,815	691,178
Debt Service	1,194,133	1,194,133
Income after Debt Service	(604,318)	(502,955)
OPEB Normal	1,362,839	1,294,697
Cash Impact After OPEB Normal	758,521	791,741

Buffalo Municipal Housing Authority
Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	FYE 2021 Combined
TOTAL NET DWELLING RENT	14,612,763
Non-Dwelling Rental Income	228,073
TOTAL SUBSIDY	17,430,363
Fraud Recovery	
HUD PHA Grants - Vouchers	5,161,020
Laundry Income	133,675
Interest Earned	2,714
Other Income	467,404
HCV Admin Fee Earned	664,928
Management Fees Earned	2,534,203
Asset Management Fee Earned	167,877
Bookkeeping Fees Earned	319,937
Front Line Service Fees	237,609
Other Fees	100,000
Retro Charges - Non retro rent	5,958
CFP Admin Fee	780,000
1406 Transfers	2,039,300
1408 Transfers	647,124
Operating Reserves	-
Total Other Revenue	13,261,749
TOTAL REVENUES	45,532,948
TOTAL ADMINISTRATIVE EMPLOYEE COSTS	3,924,844
Compensated Absences	
Legal Expense - External	
Management Fee	2,737,649
Management Fee-State	177,382
Bookkeeping Fee	319,937
Asset Management Fee	167,877
Staff Training	
Travel	118,547
Central Office Expense	-
Auditing Fees	57,317
Sundry	116,620
Office Supplies	25,790
Marketing & Advertising	24,969
Telephone and Internet Expenses	49,990
Software and Office Equipment	55,133
Tenant receivable Collection Cost	4,983
TOTAL ADMINISTRATIVE EXPENSES	7,781,038
TOTAL RESIDENT SERVICES EMPLOYEE COSTS	104,534
Resident Serv - Materials	21,944

Buffalo Municipal Housing Authority
Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	FYE 2021 Combined
Res Serv - Tenant Council Supplies	2,225
Resident Serv - Contract Costs	465,762
Tenant Representative Stipend	50,760
Total Council Resident Services	540,691
Res Serv - Tenant Council Contracts	7,807
Resident Services - Participation Funds	78,730
Resident Relocation Costs	-
TOTAL RESIDENT SERVICES COSTS	731,762
UTILITY EXPENSES	
Water	1,137,847
Sewer	631,088
Electric	2,033,940
Gas	1,392,887
Fuel	-
TOTAL UTILITY EMPLOYEE COST	406,061
Miscellaneous Utility Costs	229,827
Utility Reimbursements	
TOTAL UTILITY EXPENSES	5,831,650
TOTAL MAINTENANCE EMPLOYEE COSTS	4,149,744
Maintenance Materials	482,073
Maintenance Equipment	44,701
TOTAL MATERIALS AND SUPPLIES	526,775
Maintenance Contract Costs - Misc	961,019
Garbage & Trash Removal	499,571
Unit Turnaround	1,046,923
Janitorial Costs	11,834
Exterminating Costs	178,455
Landscaping & Grounds	46,104
Plumbing & Gas System	84,510
Electrical Systems	21,149
Heating & Ventilating	148,208
Elevators	159,385
Snow Removal	253,494
Maintenance Costs - LIHTC	1,582,333
TOTAL MAINTENANCE CONTRACT COSTS	4,992,984
TOTAL MAINTENANCE EXPENSES	9,669,503
Protective Services - Salaries	141,664
Protective Services - Materials	75
Protective Services - Contract Costs	1,128,249
TOTAL PROTECTIVE SERVICES COSTS	1,269,987
GENERAL EXPENSES	
Property Insurance	536,097
Liability Insurance	728,350

Buffalo Municipal Housing Authority
Buffalo Fiscal Stability Authority Four Year Plan FYE 2018-2021

Line Item	FYE 2021 Combined
Workers Compensation Insurance	1,099,948
Other Insurances	236,357
TOTAL INSURANCES	2,600,751
PILOT	170,366
Employee Benefits	5,556,535
OPEB - Normal cost	1,229,962
OPEB - Legacy	3,776,611
Collection Loss	237,676
Interest On Admin Notes	983,693
Other General Expense	71,662
TOTAL GENERAL EXPENSES	14,627,257
TOTAL ORDINARY & ROUTINE EXPENSES	39,911,197
EXTRAORDINARY EXPENSES	
Extraordinary Maintenance	-
Casualty Loss	
TOTAL EXTRAORDINARY EXPENSES	-
OTHER EXPENSES	
HAP	4,786,849
UAP	
Port Out HAP	
Port Out Admin Fee	10,056
Real Estate Taxes	16,207
FSS Expense	29,193
TOTAL OTHER EXPENSES	4,842,305
Depreciation Expense	
Amortization Expense	
Gain/Loss On Disposition Of Fixed Assets	
TOTAL EXPENSES	44,753,503
NET INCOME	779,445
Debt Service	1,194,133
Income after Debt Service	(414,688)
OPEB Normal	1,229,962
Cash Impact After OPEB Normal	815,274

Summary Narrative of Human Capital Resources

Budgeted Positions by Department

<i>DEPARTMENT</i>	<i>FYE 2018</i>	<i>FYE 2019</i>	<i>FYE 2020</i>	<i>FYE 2021</i>
<i>EXECUTIVE</i>	<i>11</i>	<i>11</i>	<i>11</i>	<i>11</i>
<i>MIS</i>	<i>3</i>	<i>3</i>	<i>3</i>	<i>3</i>
<i>FINANCE</i>	<i>11</i>	<i>11</i>	<i>11</i>	<i>11</i>
<i>PERSONNEL</i>	<i>3</i>	<i>3</i>	<i>3</i>	<i>3</i>
<i>CAPITAL IMPROVEMENTS</i>	<i>13</i>	<i>13</i>	<i>13</i>	<i>13</i>
<i>ASSET MANAGEMENT</i>	<i>134</i>	<i>134</i>	<i>134</i>	<i>134</i>
<i>TOTAL</i>	<i>175</i>	<i>175</i>	<i>175</i>	<i>175</i>

It is important to note that all labor bargaining units contracts expired in 2011. The BMHA is currently in negotiations with all of its bargaining units. The Financial plan does not have any salary increases budgeted. In order to afford any salary increases, major concessions on benefits must be obtained.

Debt Service

All debt service for the energy performance contracts is funded with excess operational revenue.

Asset Repositioning

Bridges Development, Inc., (“Bridges”) the Authority’s 504(c)(4) not-for-profit instrumentality/affiliate development entity has worked diligently to develop multiple development and redevelopment strategies in tandem with BMHA. Through expanded operations over the last two years, Bridges has endeavored to accomplish many goals toward targeting and securing additional funding to be used for development, redevelopment, financing and refinancing multiple projects to continue moving the BMHA in a positive direction in these challenging times. With the threat of an additional thirteen percent (13%) decrease in federal appropriations in the HUD budget for the FYE 2018, and possible elimination of certain key funding programs previously available for affordable housing, it is more important now than ever for the Authority to rely on Bridges to assist BMHA with its mission to provide and maintain safe, decent, affordable housing for the residents in need within the City of Buffalo.

For more than two years, Bridges has been working very closely with tax credit syndicators, multiple financial institutions, and state and federal agencies to identify and target funding opportunities to assist the Authority bolster its aging housing stock. In part, some of these efforts will be accomplished by disposing of certain properties to Bridges for purposes of redevelopment. Bridges is eligible to access funding for which the Authority and private developers are ineligible.

Over the past two years, Bridges has worked tirelessly to structure development transactions for several developments as outlined below:

A. D. Price Courts (formerly known as Willert Park Courts)

A. D. Price Courts is a family development consisting of 170 units which current sits vacant and is uninhabitable due to major capital improvement needs in the amount of approximately **\$20 million**. This property, even though uninhabitable, continues to negatively impact the BMHA Public Housing Assessment Score issued by HUD, and will continue to do so until these units are either rehabilitated or removed from the BMHA portfolio.

Bridges and BMHA, along with their co-developer partner, Norstar Development, and planning consultant, Wallace Roberts and Todd (WRT) have hosted a number of resident, community members, and stakeholders meetings and charrettes in order to determine the desired and best use of the vacant A. D. Price Courts. Additionally, Bridges and BMHA have attended countless meetings with the City of Buffalo's Office of Strategic Planning, Buffalo Urban Renewal Agency, and many elected and appointed officials in order to garner support for this revitalization effort.

In 2016, a 9% Low Income Housing Tax Credit (LIHTC) funding application was submitted to New York State Homes and Community Renewal, and after nearly one year of continuous progress towards developing a revitalization plan, the residents, community members and stakeholders reached a decision on a plan which consisted of a combination of some rehab and new construction which was subsequently forwarded to the BMHA Board of Commissioners for approval. Due to the overwhelming interest in this very important and significant project, many organizations and agencies have also partnered with Bridges and BMHA in order to increase additional community support and participation in this vital redevelopment effort.

Once the BMHA Board of Commissioners approved the

plan in November, 2016, it was then submitted to the City of Buffalo Planning Board for Approval. The item has been tabled twice while awaiting comments from the New York State Historic Preservation Office (SHPO).

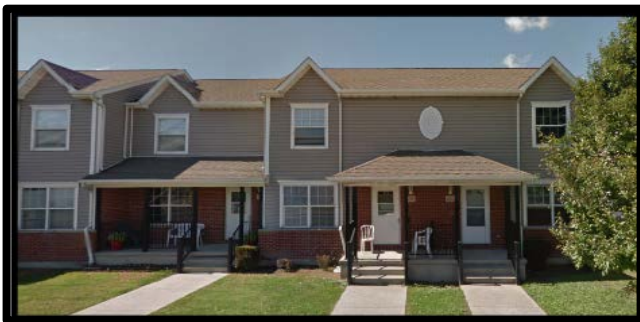
Commodore Perry Homes/Frederick Douglass Associates (FDA1) RAD Conversion and Transfer of Public Assistance

Commodore Perry Homes

For more than two years, Bridges has been working very closely with tax credit syndicators, multiple financial institutions, and state and federal agencies to identify and target funding opportunities to assist the Authority with this severely distressed development. It is no secret that the Commodore Perry property sits mostly vacant and uninhabitable. It is currently in need of **\$66 million** in capital needs improvements and until the property can be rehabilitated or removed from the BMHA portfolio, it is likely to continue to remain as is. Like A. D. Price Courts, this property's vacancies continues to negatively impact the Authority's Public Housing Assessment System Score.

The efforts began by the Authority in 2011 to bring relief to this development have been slow but are paying off. In 2014, HUD awarded the Authority 172 Rental Assistance Demonstration (RAD) units at Commodore Perry Homes. *RAD is a mixed finance program which allows housing authorities to access private dollars to rehabilitate its distressed housing and convert the property to project-based Section 8.* Due to the massive capital needs of Commodore Perry, the Authority felt like it was in the best interest of the Authority and its residents to concentrate resources and funding to housing developments and neighborhoods where services and walkable communities were more accessible. These difficulties laid the foundation for one of the most progressive and complicated redevelopment strategies ever used by BMHA in recent years, other than the HOPE VI Revitalization efforts -- the RAD conversion of FDA1 through the Transfer of Assistance (TOA) from Commodore Perry Homes to FDA1 and subsequent resyndication of FDA1. These efforts are solely lead by Bridges. Once the RAD transactions have completed, the Authority can begin the arduous process of demolishing the vacant building still standing at Commodore Perry Homes Development.

Frederick Douglass Associates (FDA1)



Frederick Douglass Townhomes

Bridges, is the sole developer for FDA1 and has aggressively pursued every mechanism possible to ensure a RAD conversion at this property by utilizing the existing RAD units awarded to the Commodore Perry Homes. If not for Bridges accessibility to funding and increased capacity to prepare funding applications and structure layered financing packages, the Authority would

need to hire additional consultants and developers, adding many thousands of dollars in fees and costs. Instead, Bridges was able to hire additional attorneys to assist with this aggressive ground-breaking redevelopment strategy.

Frederick Douglass Community is only a few blocks from Commodore Perry and, like A. D. Price, both of these properties are inside the Choice Neighborhood Transformation boundaries, the plan of which was previously approved by HUD. This former state public housing property consists of 3 phases of Low Income Tax Credit Housing properties, of which Phase 1 reached the end of its tax credit compliance period December 31, 2016. To date, through a Transfer of Assistance (TOA), BMHA was granted approval in 2016 to transfer the public assistance of 46 units of the 172 RAD units currently designated to Commodore Perry Homes, to the Frederick Douglass Associates (FDA1) property. This approval is conditional pending the submission of the completed financing plan to HUD, which is currently being finalized.

The RAD conversion process is nearing completion and the financing plan will be submitted in the next couple of weeks. We anticipate closing on the RAD transaction 2017.

Resyndication has been a parallel track in which Bridges has also been leading the efforts. Once the RAD conversion takes place, the next step will be the resyndication of FDA1 wherein the extended use of the property will add an additional 30-year guarantee that this property will be exclusively for low income families.

All of the efforts mentioned herein are designed to reduce the reliance on operating subsidies from the City of Buffalo and to assist Extremely Low Income (ELI) earners, many of whom earn less than \$14,000 per year. This property formerly relied on an operating subsidy, which is no longer in place, from the City of Buffalo. Residential rents cannot be increased because it would cause catastrophic financial hardship to most of the residents rendering them homeless, or the threat of becoming homeless due to the inability to pay rent. Many of the residents are “Legacy” tenants, or former public housing residents.

Kensington Heights

BMHA is currently in negotiations with a potential buyer of this property.

Scattered Site “C”

Construction documents for complete renovations of all 19 scattered units have been completed. The procurement of contractors is ongoing and construction is expected to begin in 2017.

Woodson Gardens – This property was sold to City Honors in 2016.