

# Financial Performance

Fiscal Year End 2016 Results

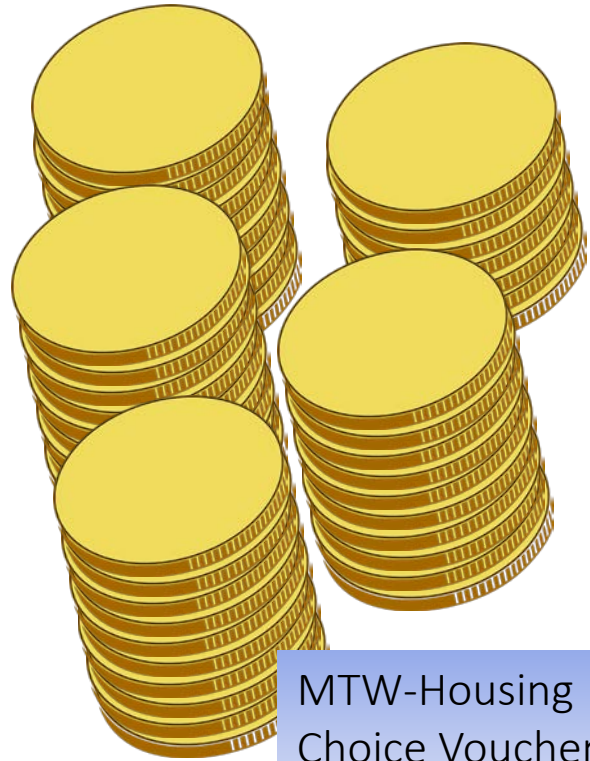




# Presentation

- 2016 Agency-wide Spending
- 2016 Financial Results by Program
- MTW Funding Flexibility
- Energy Savings resulting from EPC
- Appropriations for 2017 and beyond

# Spending by Program



MTW-Housing  
Choice Vouchers  
\$47M



Capital Fund Program  
\$15M



Other Programs  
\$2M



Other Section 8  
\$5M



Central Office  
\$8M

Public Housing Operations  
\$43M



# MTW – Housing Choice Vouchers



MTW-Housing  
Choice Vouchers  
\$47M<sup>1</sup>

(\$ millions)	BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>			
ADMIN FEES	\$ 2.2	\$ 2.3	\$ 0.1
HAP SUBSIDY	\$ 44.0	\$ 41.8	\$ (2.2)
OTHER INCOME	\$ 0.3	\$ 0.4	\$ 0.1
<b>TOTAL REVENUES</b>	<b>\$ 46.5</b>	<b>\$ 44.5</b>	<b>\$ (2.0)</b>
<b>EXPENSES</b>			
PROGRAM ADMINISTRATION	\$ 3.9	\$ 3.6	\$ 0.3
HAP EXPENSES	\$ 38.0	\$ 37.6	\$ 0.4
<b>TOTAL EXPENSES</b>	<b>\$ 41.9</b>	<b>\$ 41.2</b>	<b>\$ 0.7</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ 4.6</b>	<b>\$ 3.3</b>	<b>\$ (1.3)</b>
MTW TRANSFERS TO OTHER PROGRAMS	\$ 4.6	\$ 3.3	\$ 1.3
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<sup>1</sup> includes \$6 million in Port-in HAP costs

# Public Housing Operations

(\$ millions)	Budget	Actual	Variance
<b>REVENUES</b>			
DWELLING RENT	\$ 19.5	\$ 19.9	\$ 0.4
SUBSIDY	\$ 18.7	\$ 20.0	\$ 1.3
OTHER	\$ 1.8	\$ 2.0	\$ 0.2
<b>TOTAL REVENUES</b>	<b>\$ 40.0</b>	<b>\$ 41.9</b>	<b>\$ 1.9</b>
<b>EXPENSES</b>			
PROPERTY OPERATIONS & MAINTENANCE	\$ 23.8	\$ 22.7	\$ 1.1
UTILITIES	\$ 8.5	\$ 7.5	\$ 1.0
TENANT SERVICES	\$ 1.0	\$ 1.3	\$ (0.3)
INSURANCE, DEBT SERVICE & OTHER	\$ 5.9	\$ 6.0	\$ (0.1)
MANAGEMENT FEES	\$ 5.3	\$ 5.3	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 44.5</b>	<b>\$ 42.8</b>	<b>\$ 1.7</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>\$ (4.5)</b>	<b>\$ (0.9)</b>	<b>\$ 0.2</b>
TRANSFERS FROM HCV PROGRAM	\$ 4.5	\$ 0.9	\$ 3.6
<b>NET INCOME (LOSS)</b>	<b>-</b>	<b>-</b>	<b>-</b>



Public Housing Operations  
\$43M

# Public Housing Capital Improvements

(\$ millions)	Actual
<b>REVENUES</b>	
CAPITAL FUND GRANT	\$ 13.1
MTW TRANSFER FROM HCV	\$ 2.3
<b>TOTAL REVENUES</b>	<b>\$ 15.4</b>
<b>EXPENSES</b>	
PROGRAM ADMINISTRATION	\$ 1.0
CAPITAL IMPROVEMENT PROJECTS	\$ 14.4
<b>TOTAL EXPENDITURES</b>	<b>\$ 15.4</b>
<b>NET INCOME (LOSS)</b>	<b>\$ -</b>



Capital Fund Program  
\$15M

# MTW FLEXIBILITY

*MTW Agreement grants authority to the MPHA to move HUD funding appropriated for one program to another to meet housing needs most appropriate for the PHA*



(\$ millions)	BUDGET	ACTUAL	VARIANCE
<b>MTW TRANSFERS OUT</b>			
HCV TRANSFERS TO OTHER PROGRAMS	\$ 4.6	\$ 3.3	\$ 1.3
<b>TOTAL TRANSFERS OUT</b>	<b>\$ 4.6</b>	<b>\$ 3.3</b>	<b>\$ 1.3</b>
<b>MTW TRANSFERS IN</b>			
PUBLIC HOUSING OPERATIONS	\$ 4.5	\$ 0.9	\$ 3.6
PUBLIC HOUSING CAPITAL IMP.	\$ -	\$ 2.3	\$ (2.3)
MTW ADMIN. & SPECIAL PROGRAMS	\$ 0.1	\$ 0.1	\$ -
<b>TOTAL TRANSFERS IN</b>	<b>\$ 4.6</b>	<b>\$ 3.3</b>	<b>\$ 1.3</b>

# Central Office

Central Office  
\$8M



(\$ millions)	BUDGET	ACTUAL	VARIANCE
<b>REVENUES</b>			
MGMT & BOOKEEPING FEES	\$ 7.4	\$ 7.5	\$ 0.1
OTHER INCOME	\$ 0.1	\$ 0.1	\$ -
<b>TOTAL REVENUES</b>	<b>\$ 7.5</b>	<b>\$ 7.6</b>	<b>\$ 0.1</b>
<b>EXPENSES</b>			
GENERAL ADMINISTRATION	\$ 7.0	\$ 7.0	\$ -
OTHER EXPENSES	\$ 0.8	\$ 0.7	\$ 0.1
<b>TOTAL EXPENSES</b>	<b>\$ 7.8</b>	<b>\$ 7.7</b>	<b>\$ 0.1</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (0.3)</b>	<b>\$ (0.1)</b>	<b>\$ 0.2</b>

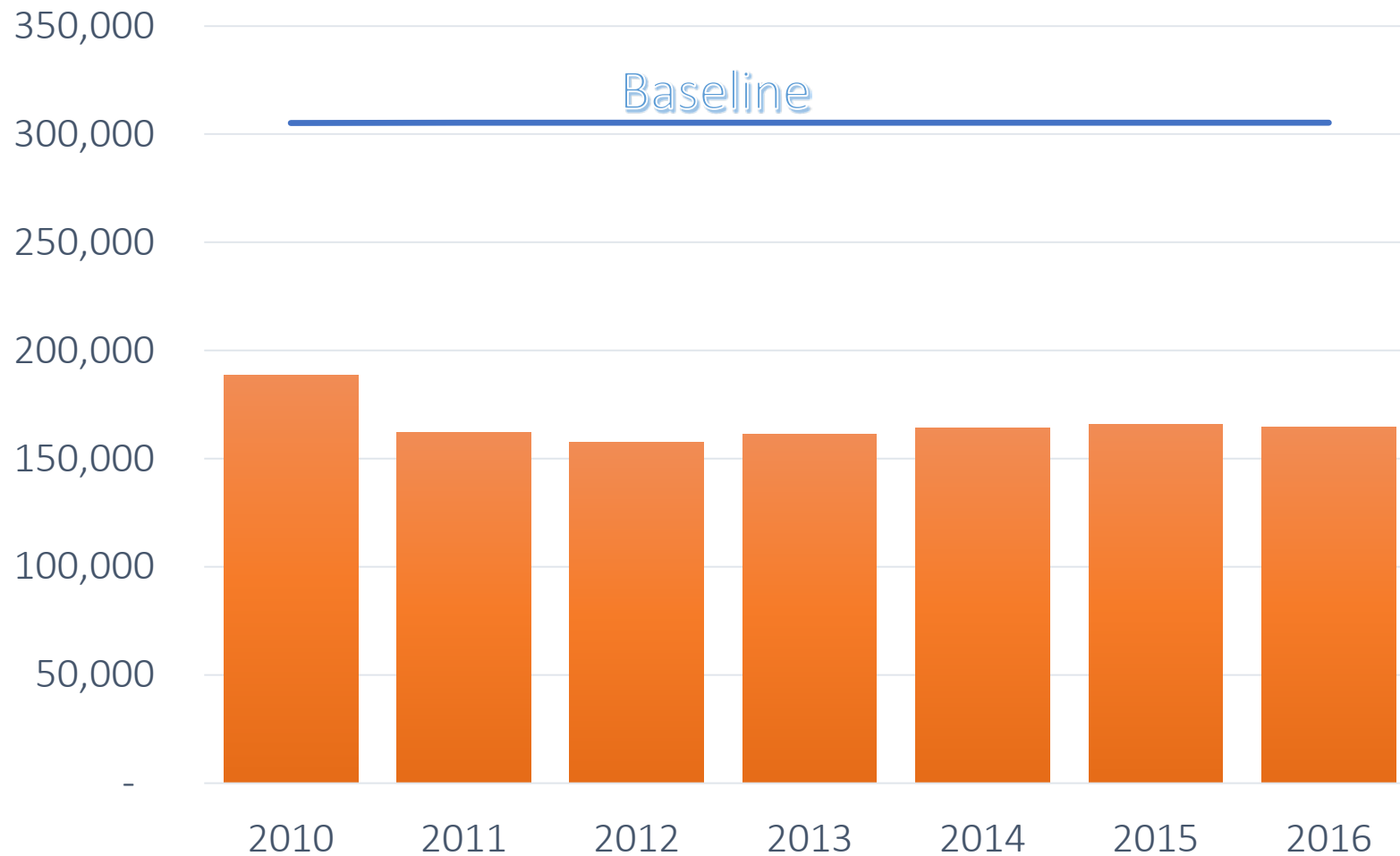


# Energy Performance Contract

- Contract with Honeywell International
- \$31 M energy-related improvements financed by debt – boilers, low flow toilets, aerators, building controls, lighting, refrigerators, etc.
- HUD reimburses MPHA for the debt service & program costs subject to subsidy pro-ration
- Honeywell guarantees consumption savings expected to cover the debt service

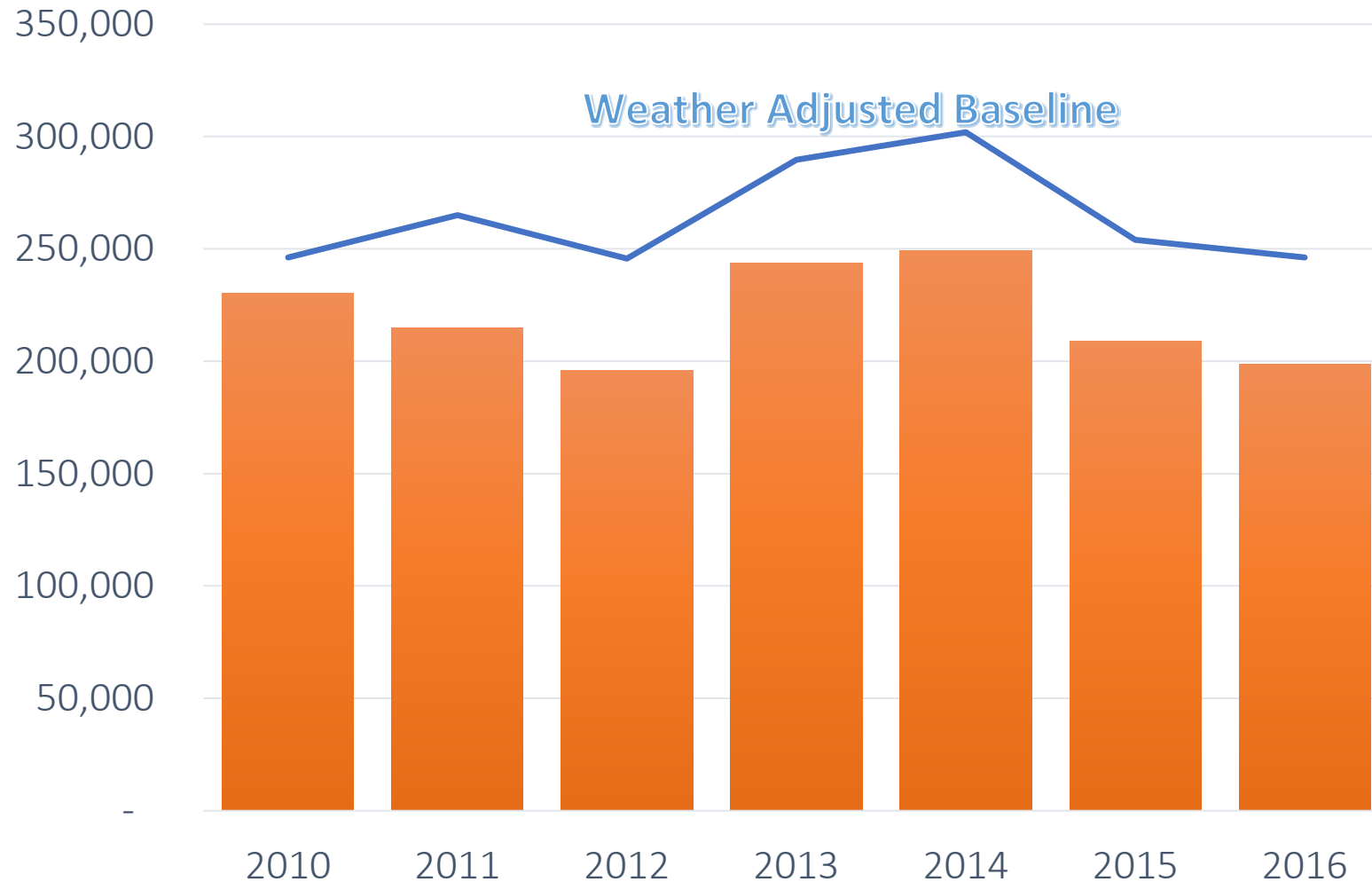
# Energy Performance Contract

## Water Consumption Savings (kgal)



# Energy Performance Contract

Gas Consumption Savings  
(MCF)



# 2017 Appropriations

Continuing Resolution (CR) expires April 28<sup>th</sup>

Short-term CR is anticipated



## T-HUD Bill

HAP Subsidy at 97.5%  
PH Operating Subsidy at 86-89%  
PH Capital Fund at 2016 levels (?)

## Full Year CR

HAP Subsidy at 94%  
PH Operating Subsidy at 85%  
PH Capital Fund at 2016 levels (?)

Re-evaluate any MPHA budget changes as we learn more.

# Future Appropriations

2018 Trump Budget is expected to be rejected by Congress

But...

Federal Budget has grave problems that will impact housing programs.

Absent increased tax revenues and mandatory spending needs, MPHA Programs as with others in the non-defense discretionary, will see funding reductions below 2016 levels in the future. The Capital Fund Grant is expected to see the most significant cut.

In May, MPHA's Guiding Principles for Redevelopment and Capital Investments will be brought forward to establish the doctrines for preserving the long-term physical and financial viability of MPHA's existing public housing stock.