

Board Budget Workshop

Presented December 4<sup>th</sup>,  
and 7<sup>th</sup> 2020



## 2021 BUDGET RECOMMENDATION DISCUSSION

**Purpose:** To explain the proposed budget recommendation, answer questions from the Board, and hear any Board comments or concerns before the final budget recommendation is forwarded to the Board for approval at the December meeting.



# Presentation Contents

- Budget Highlights
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  - *Public Housing*
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# 2021 Budget Highlights

## Highlights

- **Resident & Employee Safety**

- ✓ Responds to needs related to COVID
  - Increase security guard budget, \$1.5M
  - Increases funding for temporary maintenance cleaners and maintenance staff overtime, \$650K
- ✓ Responds to need for fire suppression systems
  - Funds fire suppression system in 9 more buildings

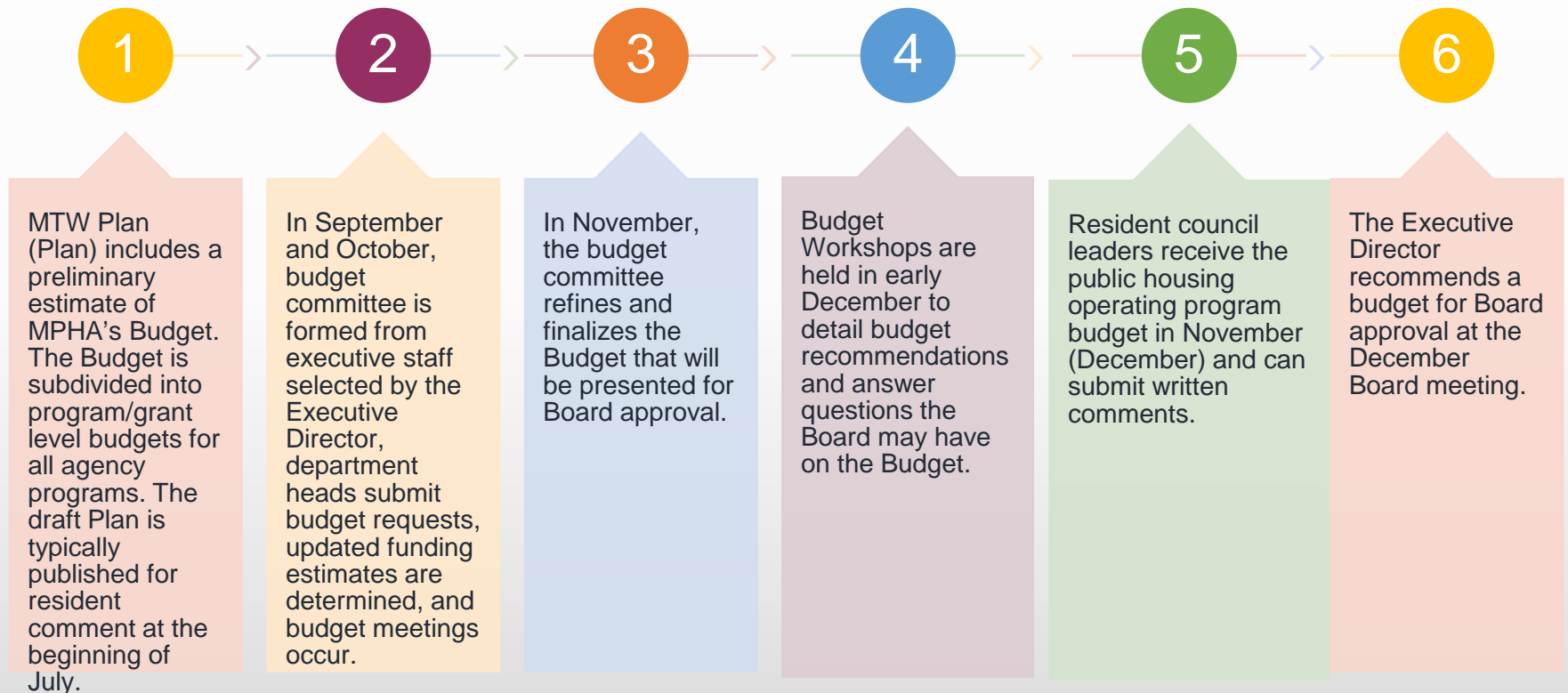
- **Housing Preservation and Creation**

- ✓ Funds building rehabilitation and physical security improvements (\$16.4M)
- ✓ Includes predevelopment for Scattered Site property rehabilitation (\$3.6M) with expected loan closing February 2022 and new unit development

- **Operational Excellence**

- ✓ Provides resources to finish the migration to a single software platform (February 2021)
- ✓ Includes resources for public housing operational assessment to better align operations to the greater affordable housing industry

# Budget Development Process



# Federal Funding Assumptions

2021 HUD Appropriations Continuing Resolution expires on December 11<sup>th</sup>

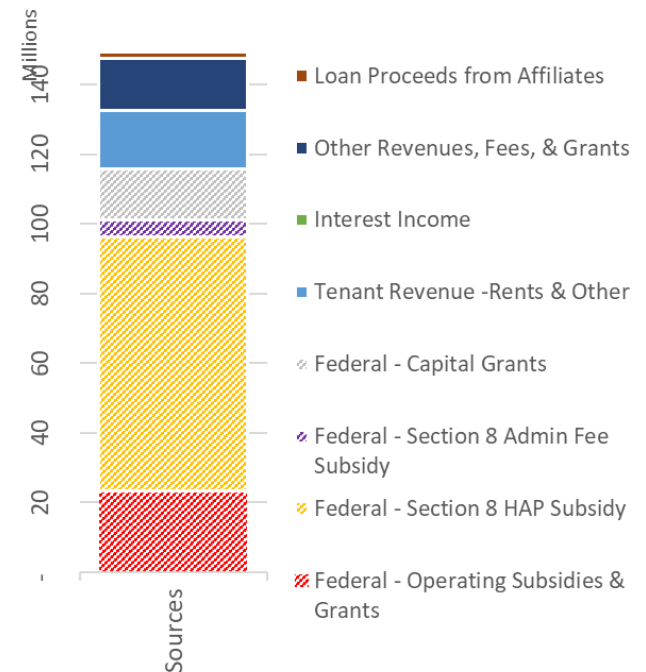
## Annual Funding Assumptions

| Funding Program                  | 2021 Budget Assumptions | 2020 Actual    |
|----------------------------------|-------------------------|----------------|
| Public Housing Operating Subsidy | 97%                     | 97%            |
| HCV Housing Assistance Subsidy*  | 99.4%                   | 99.4%          |
| HCV Housing Assistance Inflation | 7.0%                    | N/A            |
| HCV Administrative Fees          | 80%                     | 80%            |
| Capital Fund Grant               | \$15.9 million          | \$15.9 million |

## 2021 Supplemental Funding Assumptions

| Funding Program            | 2021 Budget Assumptions |
|----------------------------|-------------------------|
| CARES Act:                 |                         |
| 2nd Round Admin Fee Amount | \$ 690,000              |
| Extra. HCV HAP**           | \$ 1,600,000            |
| Asset Repositioning Fees   | \$ 2,802,600            |
| 2020 MTW HUD Held Funds    | \$ 400,000              |

## 2021 Sources of Funds



## Notes

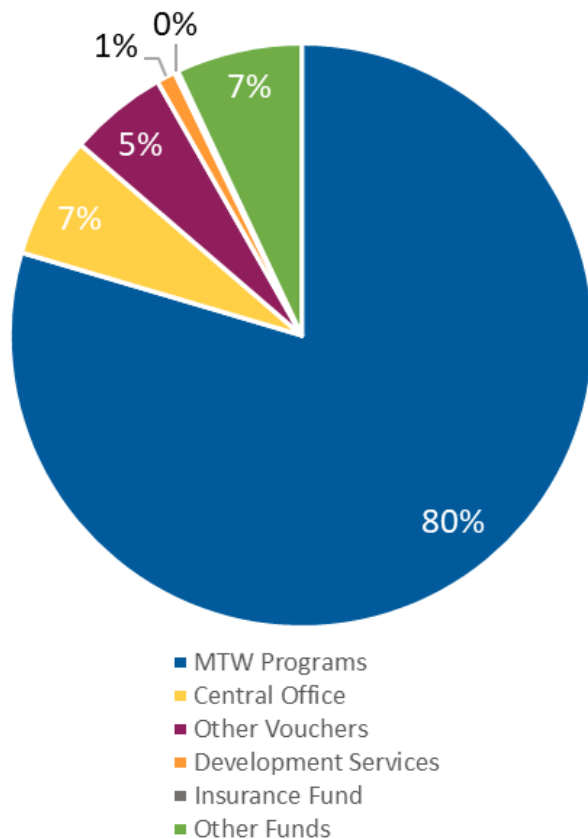
\*Assumes TPV appeal to HUD on scattered site units will be successful and retroactive to January 2021

\*\* CARES Act \$1.2 million HCV extraordinary HAP pending - not included



# Agency-wide Budget

Uses of Funds by Program



## Total MPHA

### Sources

|  |            |
|--|------------|
| Tenant Revenue -Rents & Other                | 16,789,800 |
| Federal - Operating Subsidies & Grants       | 20,519,800 |
| Federal - Operating Subsidies & Grants (ARF) | 2,802,600  |
| Federal - Section 8 Admin Fee Subsidy        | 4,877,900  |
| Federal - Section 8 HAP Subsidy              | 72,936,400 |
| Federal - Capital Grants                     | 14,564,000 |
| City Contribution                            | 2,826,700  |
| Interest Income                              | 249,800    |
| Managed Services Group Revenue               | 10,432,025 |
| Other Revenues, Fees, & Grants               | 1,509,400  |

**Total Sources 147,508,425**

### Uses

|                                       |            |
|---------------------------------------|------------|
| Property Management and Program Admin | 14,361,675 |
| Administration                        | 9,479,400  |
| Development Administration            | 1,290,800  |
| Tenant Services                       | 1,490,700  |
| Utilities                             | 6,655,900  |
| Maintenance                           | 16,714,250 |
| Protective Services                   | 4,331,100  |
| Insurance & Casualty Loss             | 2,040,400  |
| Other General                         | 2,938,500  |
| Debt Service                          | 1,740,300  |
| Housing Assistance Payments           | 64,011,500 |
| Capital Improvements & Equipment      | 24,936,400 |

**Total Uses 149,990,925**

**Net Operating Sources/(Uses) (2,482,500)**

Loan from Affiliates 1,963,500

**Net Sources/(Uses) (519,000)**

# Moving To Work (MTW) Budget

- Public housing operating and capital budgets and the Housing Choice Vouchers program budget make up the MTW Single Fund Budget.
- Non-MTW PHA's must use program resources in the specific program for which it has been provided with limited exceptions.
- To be transparent in how we have utilized this funding flexibility, and because of certain HUD reporting requirements, we present each program's budget separately.

|   | 2021 MTW Single Fund      |                             |                      |   | Total MTW Programs |
|---|---------------------------|-----------------------------|----------------------|---|--------------------|
|   | Public Housing Operations | MTW Housing Choice Vouchers | Capital Fund Program | MTW Initiatives and Community Connections |                    |
| <b>Sources</b>                                      |                           |                             |                      |   |                    |
| Tenant Revenue -Rents & Other                       | 16,789,800                | -                           | -                    | -   | 16,789,800         |
| Federal - Operating Subsidies & Grants              | 18,916,200                | -                           | 1,603,600            | -   | 20,519,800         |
| Federal - Operating Subsidies & Grants (ARF)        | 2,802,600                 | -                           | -                    | -   | 2,802,600          |
| Federal - Section 8 Admin Fee Subsidy               | -                         | 4,082,700                   | -                    | -   | 4,082,700          |
| Federal - Section 8 HAP Subsidy                     | -                         | 65,610,300                  | -                    | -   | 65,610,300         |
| Federal - Capital Grants                            | -                         | -                           | 14,564,000           | -   | 14,564,000         |
| City Contribution                                   | 374,600                   | 925,700                     | -                    | -   | 1,300,300          |
| Interest Income                                     | 142,300                   | 9,000                       | -                    | -   | 151,300            |
| Other Revenues, Fees, & Grants                      | 840,300                   | 642,000                     | -                    | -   | 1,482,300          |
| <b>Total Sources</b>                                | <b>39,865,800</b>         | <b>71,269,700</b>           | <b>16,167,600</b>    | <b>-</b>                                  | <b>127,303,100</b> |
| <b>Uses</b>   |                           |                             |                      |   |                    |
| Property Management and Program Admin               | 7,820,500                 | 3,571,600                   | 10,000               | 154,400                                   | 11,556,500         |
| Fees to COCC  | 5,038,000                 | 1,712,800                   | 1,593,600            | -   | 8,344,400          |
| Tenant Services                                     | 947,600                   | -                           | -                    | 498,800                                   | 1,446,400          |
| Utilities   | 6,497,400                 | -                           | -                    | -   | 6,497,400          |
| Maintenance   | 12,779,400                | 4,300                       | -                    | -   | 12,783,700         |
| Protective Services                                 | 4,177,800                 | -                           | -                    | -   | 4,177,800          |
| Insurance & Casualty Loss                           | 1,644,500                 | 34,200                      | -                    | -   | 1,678,700          |
| Other General                                       | 2,120,900                 | 157,000                     | -                    | -   | 2,277,900          |
| Debt Service  | 1,740,300                 | -                           | -                    | -   | 1,740,300          |
| Housing Assistance Payments                         | -                         | 56,420,900                  | -                    | -   | 56,420,900         |
| Capital Improvements & Equipment                    | 978,200                   | -                           | 19,800,000           | -   | 20,778,200         |
| <b>Total Uses</b>                                   | <b>43,744,600</b>         | <b>61,900,800</b>           | <b>21,403,600</b>    | <b>653,200</b>                            | <b>127,702,200</b> |
| <b>Net Operating Sources/(Uses)</b>                 | <b>(3,878,800)</b>        | <b>9,368,900</b>            | <b>(5,236,000)</b>   | <b>(653,200)</b>                          | <b>(399,100)</b>   |
| Transfer in/(Out) for MTW Single Fund               | 3,729,700                 | (9,618,900)                 | 5,236,000            | 653,200                                   | -                  |
| Transfer in/(Out) for Collection Losses             | 149,100                   | -                           | -                    | -   | 149,100            |
| Transfer in/(Out) for Stable Homes Stable Schools   | -                         | 250,000                     | -                    | -   | 250,000            |
| <b>Net Operating Sources/(Uses) after Transfers</b> | <b>-</b>                  | <b>-</b>                    | <b>-</b>             | <b>-</b>                                  | <b>-</b>           |

# Public Housing Operations Highlights

- Protective Services budget is increased by about \$1.5 million (56%) from the 2020 budget. Maintains security guard presence at post-COVID levels necessary access control and common area safety.
- Funds an additional \$1.2 million (13%) in maintenance costs; half of which is for COVID temporary cleaners and overtime for staff.
- Funds \$1 million in non-routine items (capital equipment and extraordinary maintenance)
- Uses MTW Flexibility by transferring a portion of HCV resources (\$3.7 million) to fund the public housing program.



# Housing Choice Vouchers Highlights

- The budget funds an average of 5,082 HCV vouchers per month, 96% of the MTW baseline, achieved through natural attrition
  - Permitting over \$2.2 million to be redirected to fire suppression systems in high-rises.
- Vouchers will utilize Payment Standards at 95% of 2021 HUD fair market rents (FMRs), exception 1 and 2 Bedrooms will be at 100% (FMRs). Increases maximum rents by approximately 6.5%.
- Stable Homes Stable Schools program will continue with continued funding support from the City – average of 107 families subsidized per month, ending the year at an estimated 135 families by December

# Minneapolis Highrise Representative Council's (MHRC) Request

| Program                       | 2020 Approved  | 2021 Requested | 2021 Recommended |
|-------------------------------|----------------|----------------|------------------|
| Project Lookout               | 155,000        | 155,000        | 155,000          |
| Cultural Diversity            | 78,000         | 78,000         | 78,000           |
| <b>Total of MHRC Programs</b> | <b>233,000</b> | <b>233,000</b> | <b>233,000</b>   |

Amounts shown are the total planned amount to be funded for MHRC, however the budgets assume a portion of these amounts will be funded by the Elliotts budget (outside the Public Housing Operating fund budget)



# Capital Fund Program

## Fire Suppression Systems:

1314 44<sup>th</sup> Avenue North – 6 stories, 220 units.  
 1206 2<sup>nd</sup> Street NE – 8 stories, 57 units  
 1717 Washington Street NE – 17 stories, 182 units  
 1627 South 6<sup>th</sup> Street – 10 stories, 116 units  
 630 Cedar – 25 stories, 191 units  
 2728 East Franklin Avenue – 21 stories, 151 units  
 Horn Towers – 3 buildings, 22 stories/each, 491 total units

We currently have 27 non-sprinkled buildings, three of which are currently under construction (1611 S 6<sup>th</sup> St and the Elliot Twins). This leaves us with 24 to go, a total of 2,704 units. The current plan gets 9 of the 24 buildings/1,408 of the 2,704 units sprinkled. While it's just over a third of the buildings it's over half of the units.

| Sources                              |                   |
|--------------------------------------|-------------------|
| 2020 Capital Fund Grant <sup>1</sup> | 10,553,600        |
| 2021 Capital Fund Grant <sup>2</sup> | 5,614,000         |
| HCV HAP Funds                        | 5,236,000         |
| <b>Total Sources</b>                 | <b>21,403,600</b> |

| Uses                   |  |
|------------------------|--|
| 1206 2nd Street NE     | Fire suppression system installation 265,000   |
| 1627 S 6th Street      | Fire suppression system installation 510,000   |
| 1717 Washington St NE  | Fire suppression system installation 770,000   |
| 2728 E Franklin Avenue | Fire suppression system installation 675,000   |
| 630 Cedar Avenue South | Fire suppression system installation 825,000   |
| Horn Towers            | Fire suppression system installation 750,000   |
| Area-Wide Highrises    | Security surveillance system upgrades 950,000  |
| Hiawatha Towers        | Site security improvements 35,000  |
| 315 Lowry Avenue North | Site security, façade repairs 200,000  |
| 1707 3rd Avenue South  | Main electrical switch gear & generator replacement 350,000  |
| 1314 44th Avenue North | Façade repairs, plumbing replacement, shower replacement/bath upgrades, fire suppression system installati 500,000 |
| 1611 S 6th Street      | Piping, apartment upgrades, fire alarm system replacement/fire suppression retrofit, HVAC improvements 1,000,000   |
| 1611 S 6th Street      | Elevator modernization 650,000   |
| 1707 3rd Avenue South  | Elevator modernization 670,000   |
| 3116 Oliver Ave North  | Elevator modernization 125,000   |
| 3205 E 37th Street     | Elevator modernization 150,000   |
| 3755 Snelling          | Elevator modernization 150,000   |
| 616 Washington St NE   | Elevator modernization 125,000   |
| 2728 E Franklin Ave    | Elevator modernization, canopy roof replacement 700,000  |
| Cedars Lowrises        | Façade restoration & window replacement (phase I of III) 1,100,000   |
| 1707 3rd Avenue South  | Façade restoration, apartment entry door replacement 450,000   |
| Hiawatha Towers        | HCPD accessible unit upgrades, common area improvements 500,000  |
| Area-Wide              | High-rise systems replacements 300,000   |
| 1015 4th Avenue North  | HVAC improvements 400,000  |
| 314 Hennepin Avenue    | Roof & skylight replacement 1,100,000  |
| 1314 44th Avenue North | Roof replacement 875,000   |
| 2533 1st Avenue South  | Vapor mitigation system installation 40,000  |
| 600 18th Avenue North  | Window replacement, masonry repairs, HVAC systems replacement 200,000  |
| 828 Spring Street NE   | Window sealant replacement 125,000   |
| 25XX 13th Avenue South | Single-family home re-build 290,000  |
| Scattered Sites        | Comprehensive modernization 500,000  |
| Varies                 | Pre-development 3,620,000  |
| Varies                 | Quality maintenance program 300,000  |
| TBD                    | Contingency 600,000  |
| N/A                    | Administration 1,593,600   |
| N/A                    | Audit fee 10,000   |
| <b>Total Uses</b>      | <b>21,403,600</b>  |

|                           |          |
|---------------------------|----------|
| <b>Net Sources/(Uses)</b> | <b>-</b> |
|---------------------------|----------|

<sup>1</sup>Estimated 2020 Capital Fund Grant award remaining as of 1/1/21

<sup>2</sup>Estimated spending from the 2021 Capital Fund Grant - not the entire estimated grant award amount



# MTW Single Fund Flexibility

## MTW Single Fund Flexibility Transfer Schedule

### Transfer (Out) for MTW Single Fund Details:

|   |                    |
|---|--------------------|
| HCV Net Income  | 9,368,900          |
| Transfer in of City funds for Stable Homes Stable Schools | 250,000            |
| <b>Total MTW Single Fund Transfers (Out)</b>              | <b>(9,618,900)</b> |

### Transfer In for MTW Single Fund Details:

|   |                  |
|---|------------------|
| Fund Public Housing Ops @100%                         | 562,905          |
| Public Housing Security supplemental funding          | 1,855,579        |
| Public Housing COVID related Maintenance expenses     | 791,600          |
| Public Housing Tenant Services supplemental funding   | 519,616          |
| Operating Fund Program                                | 3,729,700        |
| Community Connections and MTW Admin Support and Legal | 653,200          |
| Capital Fund Improvements                             | 5,236,000        |
| <b>Total MTW Single Fund Transfers In</b>             | <b>9,618,900</b> |
| <b>Total Net Transfers In/(Out)</b>                   | <b>-</b>         |

# Central Office

## Central Office

### Sources

|                                |                   |
|--------------------------------|-------------------|
| Interest Income                | 72,500            |
| Central Office Fee Revenue     | 10,184,100        |
| Other Revenues, Fees, & Grants | 27,100            |
| <b>Total Sources</b>           | <b>10,283,700</b> |

### Uses

|                                  |                   |
|----------------------------------|-------------------|
| Administration                   | 9,316,900         |
| Utilities                        | 142,100           |
| Maintenance                      | 235,000           |
| Protective Services              | 50,500            |
| Insurance & Casualty Loss        | 106,500           |
| Other General                    | 1,900             |
| Capital Improvements & Equipment | 281,700           |
| <b>Total Uses</b>                | <b>10,134,600</b> |

|                                     |                |
|-------------------------------------|----------------|
| <b>Net Operating Sources/(Uses)</b> | <b>149,100</b> |
|-------------------------------------|----------------|

|   |           |
|---|-----------|
| Transfer in/(Out) for Collection Losses | (149,100) |
|---|-----------|

|   |          |
|---|----------|
| <b>Net Operating Sources/(Uses) after Transfers</b> | <b>-</b> |
|---|----------|

# Development Administration

This area of work must be supported by earning developer and contractor fees

## Development Administration

### Sources

|                                |          |
|--------------------------------|----------|
| Other Revenues, Fees, & Grants | -        |
| <b>Total Sources</b>           | <b>-</b> |

### Uses

|                                  |                  |
|----------------------------------|------------------|
| Fees to Central Office           | 392,700          |
| Development Administration       | 1,290,800        |
| Capital Improvements & Equipment | 280,000          |
| <b>Total Uses</b>                | <b>1,963,500</b> |

|                                    |                    |
|------------------------------------|--------------------|
| <b>Net Ordinary Sources/(Uses)</b> | <b>(1,963,500)</b> |
|------------------------------------|--------------------|

|                      |           |
|----------------------|-----------|
| Loan from Affiliates | 1,963,500 |
|----------------------|-----------|

|                                     |          |
|-------------------------------------|----------|
| <b>Net Operating Sources/(Uses)</b> | <b>-</b> |
|-------------------------------------|----------|

# Other Program Budgets

- Other Vouchers includes Moderate Rehab vouchers, Veteran vouchers, Family Unification vouchers, and Mainstream vouchers.
- Other Funds include Stable Homes Stable Schools non-HAP program expenses and other non-federal Business Activities
- Managed Services Group is the contracted property management and maintenance services provided to CHR and Elliots LP

|   | Other Vouchers   | Insurance Fund   | Managed Services Group | Other Non-Federal Funds |
|---|------------------|------------------|------------------------|-------------------------|
| <b>Sources</b>                                      |                  |                  |                        |                         |
| Federal - Section 8 Admin Fee Subsidy               | 795,200          | -                | -                      | -                       |
| Federal - Section 8 HAP Subsidy                     | 7,326,100        | -                | -                      | -                       |
| City Contribution                                   | -                | -                | -                      | 1,526,400               |
| Interest Income                                     | -                | 20,000           | -                      | 6,000                   |
| Managed Services Group Revenue                      | -                | -                | 10,432,025             | -                       |
| Other Revenues, Fees, & Grants                      | -                | -                | -                      | -                       |
| <b>Total Sources</b>                                | <b>8,121,300</b> | <b>20,000</b>    | <b>10,432,025</b>      | <b>1,532,400</b>        |
| <b>Uses</b>   |                  |                  |                        |                         |
| Property Management and Program Admin               | 566,100          | -                | 1,465,975              | 773,100                 |
| Administration                                      | -                | 162,500          | -                      | -                       |
| Fees to COCC  | 191,000          | -                | 1,256,000              | -                       |
| Tenant Services                                     | -                | -                | 44,300                 | -                       |
| Utilities   | -                | -                | 16,400                 | -                       |
| Maintenance   | 700              | -                | 3,694,850              | -                       |
| Protective Services                                 | -                | -                | 102,800                | -                       |
| Insurance & Casualty Loss                           | 5,400            | -                | 249,800                | -                       |
| Other General                                       | -                | 150,000          | 5,400                  | 503,300                 |
| Housing Assistance Payments                         | 7,590,600        | -                | -                      | -                       |
| Capital Improvements & Equipment                    | -                | -                | 3,596,500              | -                       |
| <b>Total Uses</b>                                   | <b>8,353,800</b> | <b>312,500</b>   | <b>10,432,025</b>      | <b>1,276,400</b>        |
| <b>Net Operating Sources/(Uses)</b>                 | <b>(232,500)</b> | <b>(292,500)</b> | <b>-</b>               | <b>256,000</b>          |
| Transfer in/(Out) for Stable Homes Stable Schools   | -                | -                | -                      | (250,000)               |
| <b>Net Operating Sources/(Uses) after Transfers</b> | <b>(232,500)</b> | <b>(292,500)</b> | <b>-</b>               | <b>6,000</b>            |

# Use of Reserves

| Use of Reserves by Reason          |                |                        |
|------------------------------------|----------------|------------------------|
| Reason                             | Amount         | Fund/Program Reserve   |
| VASH HAP Costs                     | 234,400        | Other Vouchers Reserve |
| GL Insurance Claim Pre- April 2019 | 292,500        | Insurance Fund Reserve |
| <b>Total Use of Reserves</b>       | <b>526,900</b> |                        |

- Use of reserves in Other Vouchers for increased utilization in the VASH Program to cover the lag in HUD funding
- Insurance fund reserves would be set aside for claims incurred but not paid prior to commercial coverage, claims outside of coverage, attorney's fees, consultants, etc.
- Mainstream Program has a budgeted contribution to reserves of \$1,900, and other non-federal funds have a budgeted contribution to reserves of \$6,000. Agency-wide net use of reserves is therefore, \$519,000.



# Budgeted Reserve Levels

| Program                          | 2020 Estimated Reserve Amount | 2021 Budgeted Reserve Amount |
|----------------------------------|-------------------------------|------------------------------|
| Moving To Work                   | \$ 13.9 million               | \$ 13.9 million              |
| Central Office Cost Center       | \$ 4.7 million                | \$ 4.7 million               |
| Other Vouchers                   | \$ 1.5 million                | \$ 1.2 million               |
| General Liability Self Insurance | \$ 3.6 million                | \$ 3.3 million               |
| Other                            | \$ 2.1 million                | \$ 2.1 million               |
| <b>Overall</b>                   | <b>\$ 25.7 million</b>        | <b>\$ 25.2 million</b>       |

## Other Potential Uses of Reserves Not Budgeted

- \$5 million is needed to be committed for guaranties on the Elliot Twins Development
- \$7 million in reserve funds will likely need to be committed for Scattered Site/CHR loan covenants
- Reserves may be needed to cover costs related to the Cedars fire that are not covered by insurance

# Words of Caution

- CARES Act and ARF are one-time resources but have been used primarily to increase routine expenses in 2021. Security guard, maintenance, and non-routine spending can't be sustained long-term.
- Scattered sites TPV Appeal is assumed successful.
- Section 8 attrition rates carry a level of uncertainty – impacted by COVID and the eviction moratorium and many other factors that MPHA doesn't control.
- The sale of the scattered site units to CHR improves the overall financial resources of the conglomerate but MPHA has fewer operating resources and CHR is the beneficiary.
- The conglomerate has many more interdependencies than in the past creating a more complex and riskier operating model. If successful, the value is increased financial flexibilities, uses of funds, and housing preservation resources.
- Increased need for fund transfers between affiliated entities to manage cash flow issues and allowable uses.

# Budget Spending Authority and Flexibility

The approval of the Budget provides the Executive Director authorization to carry out business operations using \$519,000 in Net Uses of funds identified in the Agency-wide Budget, with full expenditure flexibility throughout all agency funds, subject to all spending limitations imposed by the sources of the funds. The Executive Director is authorized to increase the net use of reserves up to an additional 3% of routine operating program budgeted reserves; that is, the combined MTW, Central Office and Other Vouchers budgeted year-end reserve amount, without further approval from the Board. The calculation of the additional net reserve use authority is as follows.



|   | Additional Net<br>Uses<br>Authorization |
|---|---|
| MTW Budgeted Reserve Level  | 13,883,000                              |
| Other Vouchers  | 1,230,900                               |
| Central Office Budgeted Reserve Level                                   | 4,669,900                               |
| <b>Combined FYE 2021 Budgeted Reserve</b>                               | <b>19,783,800</b>                       |
| <br>Additional Use of Reserves Authorization w/o Further Board Approval | <br>593,500                             |



# Affiliates

- CHR budget includes \$3.5 in capital improvements.
  - Kitchen/bath rehab in unoccupied units
  - Exterior/infrastructure improvements
  - Includes \$1.7M short term loan to MPHA for development administration
- Elliots LP
  - RBC approved budget
  - \$600K net operating income
  - 2020 NOI=\$375K
- MPHA Dev Co
  - \$250K short-term loan to MPHA for development administration

|                                       | CHR               | Elliots LP       | MPHA Dev Co      |
|---------------------------------------|-------------------|------------------|------------------|
| <b>Sources</b>                        |                   |                  |                  |
| Tenant Revenue - Rents & Other        | 4,157,200         | 534,500          | -                |
| Housing Assistance Revenue            | 9,683,700         | 1,245,000        | -                |
| <b>Total Sources</b>                  | <b>13,840,900</b> | <b>1,779,500</b> | <b>-</b>         |
| <b>Uses</b>                           |                   |                  |                  |
| Property Management and Program Admin | 1,229,200         | 351,675          | -                |
| Fees to COCC                          | 1,142,900         | 113,100          | -                |
| Tenant Services                       | 20,800            | 23,500           | -                |
| Utilities                             | 2,067,600         | 205,800          | -                |
| Maintenance                           | 3,526,500         | 309,350          | -                |
| Protective Services                   | -                 | 103,800          | -                |
| Insurance & Casualty Loss             | 451,900           | 23,200           | -                |
| Other General                         | 108,700           | 17,600           | -                |
| Capital Improvements & Equipment      | 3,554,900         | 27,100           | -                |
| <b>Total Uses</b>                     | <b>12,102,500</b> | <b>1,175,125</b> | <b>-</b>         |
| <b>Net Operating Sources/(Uses)</b>   | <b>1,738,400</b>  | <b>604,375</b>   | <b>-</b>         |
| Loan to MPHA                          | (1,713,500)       | -                | (250,000)        |
| <b>Net Sources/(Uses)</b>             | <b>24,900</b>     | <b>604,375</b>   | <b>(250,000)</b> |