

Fiscal 2009 Preliminary Budget Hearings

Housing Authority (Capital)

March 2008

*Hon. Christine C. Quinn
Speaker of the Council*

*Hon. David I. Weprin, Chair
Committee on Finance*

*Hon. Erik Martin-Dilan, Chair
Committee on Housing and Buildings*

*James Caras, Acting Director
Finance Division*

Fiscal 2009 Preliminary Capital Budget Report

Agency Overview

The mandate of the New York City Housing Authority (NYCHA) is to provide affordable housing for low-income New Yorkers. The Authority owns and operates 345 developments with 181,000 apartments; housing approximately 420,000 authorized tenants throughout the city. The Housing Authority also operates a Leased Housing Program (Section 8) within the private housing market. In addition, the Authority maintains and runs ancillary services such as day-care centers and playgrounds, child health stations and senior centers.

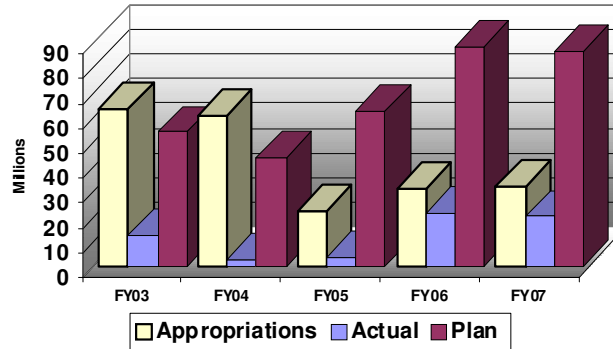
Current Budget Summary

The majority of the New York City Housing Authority's capital program is financed through grants from the federal government through the U.S. Department of Housing and Urban Development (HUD). NYCHA's 2007 to 2011 Capital Plan totaled \$1.7 billion. Of the \$655 million for 2007, \$235 million was from the Federal Public Housing Capital Fund, while \$400 million was budgeted as a result of NYCHA's participation in HUD's Capital Fund Financing Program (CFFP). This \$400 million in CFFP financing was a part of Mayor Bloomberg 2005 announcement that NYCHA would dedicate a portion of its federal capital grant to cover debt service costs on a \$700 million bond issue (\$300 million in Fiscal 2005 and \$400 million in Fiscal 2007) to fund capital repairs. After 2007, NYCHA's capital budget as of the Authority's May 2007 plan is approximately \$266 million annually.

The January 2008 Capital Commitment Plan includes \$225.5 million in Fiscals 2008-2011 for NYCHA, which represents only City funds since NYCHA's federal capital grant is not carried in the City's budget. This \$225.5 million is less than 1 percent of the City's total \$52.5 billion January Plan for Fiscals 2008-2011.

Over the past five years NYCHA has only committed an average of 18 percent of its annual City capital plan. Therefore it is assumed that a large portion of the agency's Fiscal 2008 capital plan will be rolled into Fiscal 2009 increasing the size of the Fiscal 2009-2012 capital plan. Currently NYCHA's appropriations total \$115 million in city-funds for Fiscal 2008. These funds are to be used to finance the Authority's \$104.2 million city-funded capital commitment program for the current fiscal year. The agency has approximately 3.5 percent more city funding than it needs to meet its capital commitment program for the current fiscal year.

HOUSING AUTHORITY
Appropriations vs. Actual & Planned Commitments
(City funds)



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The Housing Authority's capital commitments for the last five years are shown below:

FIVE YEAR HISTORY - CAPITAL BUDGET (\$ in millions)					
	FY03	FY04	FY05	FY06	FY07
CITY	13	3	4	21	19
NON-CITY	0	0	0	0	0
TOTAL	13	3	4	21	19

The Adopted Four-Year Capital Plan is shown below:

ADOPTED CAPITAL BUDGET – SEPTEMBER 2007 (\$ in millions)					
	FY08	FY09	FY10	FY11	FY's 08-11
CITY	111.1	34.4	33.5	46.4	225.4
NON-CITY	0	0	0	0	0
TOTAL	111.1	34.4	33.5	46.4	225.4

The Preliminary Four-Year Capital Plan is shown below:

PRELIMINARY CAPITAL PLAN – JANUARY 2008 (\$ in millions)					
	FY08	FY09	FY10	FY11	FY's 08-11
CITY	111.1	34.4	33.5	46.4	225.4
NON-CITY	0	0	0	0	0
TOTAL	111.1	34.4	33.5	46.4	225.4