



**Homes and
Community Renewal**

**Housing
Trust Fund
Corporation**

KATHY HOCHUL
Governor

RUTHANNE VISNAUSKAS
Commissioner/CEO

MEMORANDUM

To: Housing Trust Fund Corporation Board Members

From: Stacey Mickle, Treasurer

Date: March 3, 2022

Subject: Approval of the Administrative Budget Request for Fiscal Year 2022-23

In accordance with Section § 2801 of the Public Authorities Accountability Act of 2005, as amended, HTFC is required to submit a budget report and financial plan to the Authorities Budget Office (ABO) through their Public Authorities Reporting Information System (PARIS). At the December 2021 Board Meeting, HTFC's budget report and financial plan was approved by the board and subsequently submitted to PARIS. As a follow up to the December presentation, attached is the FY 2022-23 Administrative Budget Request and Programmatic Budget Outline for board review and approval. The Administrative Budget Request reflects anticipated revenue and expenditures. The Programmatic Budget Outline is based on the State's Executive Budget and Federal Fiscal Year 2021-22 appropriations.

Recommendation and Requested Action

I am seeking approval of HTFC's 2022-23 Administrative Budget and Programmatic Budget Outline. A resolution authorizing HTFC to adopt the budget is attached for your consideration.

HOUSING TRUST FUND CORPORATION

Administrative Budget Request

Program Budget Outline

Fiscal Year Ending March 31, 2023

HOUSING TRUST FUND CORPORATION
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HOUSING TRUST FUND CORPORATION

Fiscal Year 2023 Administrative Budget Request Fiscal Year 2023 Program Budget Outline

Certification by The Treasurer

Presented herewith is the proposed administrative budget request and program budget outline for the period April 1, 2022 to March 31, 2023. This information was prepared in accordance with generally accepted accounting principles.



Stacey C. Mickle
Treasurer

HOUSING TRUST FUND CORPORATION

Explanation of the public authority's relationship with the unit or units of government, if any, on whose behalf or benefit the authority was established

The Housing Trust Fund Corporation (Corporation) is a component unit of the State of New York. It was established pursuant to state statute, and its powers and obligations are set forth in its enabling statute – Private Housing Finance Law Section 45-a. The Corporation is governed by a Board of Directors and functions under adopted By-laws that govern the Corporation.

The board membership consists of nine (9) members comprised of the commissioner of housing and community renewal, the director of the budget, the commissioner of taxation and finance, one member appointed by the temporary president of the senate, and one member appointed by the speaker of the assembly. In addition, there shall be four members to be appointed by the governor with the advice and consent of the senate.

HOUSING TRUST FUND CORPORATION

Description of the Budget

General Information

The fiscal year end for the Housing Trust Fund Corporation is March 31.

Administrative Budget

The Administrative Budget for the Housing Trust Fund Corporation has been prepared to capture the costs associated with personal and non-personal service expenditures under the various units of the Corporation. Administrative expenditures are tracked back to each unit. Year to year budget comparisons shows a decrease in revenue, but an increase in expenditures. The decrease is due to lower anticipated expenditures for Federal programs resulting in lower reimbursement for those programs. The increase in expenditures is related to an increase in personal services including additional staff, salary increases, cost of living increases, and an increase in fringe benefits costs.

Staff time will be allocated across program areas based on a time allocation methodology, an important step for those units that access Federal program administrative dollars. HTFC Finance will work closely with the programmatic units to provide an accurate accounting of time spent on the various Federal programs so that we are able to maximum reimbursement of expenditures.

The Corporation must comply with the Authority Budget Office requirement to post the budget ninety days before the beginning of the fiscal year (January 1st). In addition, the State Comptroller's regulations require that the approved budget is to be posted on the Corporation's web site and made available to the public within seven days of the beginning of the fiscal year (April 1st). The ABO required budget presentation was approved by the HTFC Board in December, posted to the Agency's website, and submitted in the PARIS system.

Program Budgets

Program Budget outlines for the Housing Trust Fund Corporation administered programs include funding provided by State and Federal appropriations. The tables provided for State appropriations are based on the proposed executive budget presented to the legislature in January. The tables provided for Federal appropriations are based on the Federal fiscal year of October 1, 2021 through September 30, 2022.

For State Fiscal Year 2022-23, the executive budget proposes consistent funding levels for the core programs administered by the Corporation. In addition, Local Assistance funding includes \$32,000,000 for the Governor's Office of Storm Recovery, \$2,000,000 for Fair Housing Testing, and \$250,000 for Fair Chance Credit Check Program which may be directed to HTFC to administer. Capital Project Funds include \$77,000,000 for the Governor's Office of Storm Recovery, \$5,000,000 for the Manufactured Home Advantage Program, and \$4,505,000,000 in additional Housing Plan Funds, a portion of which is expected to be transferred to the Corporation.

The Federal Fiscal Year Budget for October 1, 2021 September 30, 2022 shows a \$428,977 increase for the annual CDBG program, but a decrease of \$498,798 for the annual HOME Investment Partnership Program.

Funding under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and the American Rescue Plan Act (ARPA) will also be expended in fiscal year 2022-23. HTFC was awarded \$127 million in CDBG funding, \$95 million in HOME funding, \$35 million in Weatherization Funding, and \$540 million in Homeownership Assistance Fund (HAF). Expenditures for fiscal 2022-23 cannot be estimated at this time.

During Fiscal Year 2021-22, programmatic staff coordinated with other entities on other initiatives which resulted in funding from Lower Manhattan Development Corporation and New York State Energy Research and Development Agency (NYSERDA).

The balance of Federal funding for the Community Development Block Grant – Disaster Recovery program is approximately \$503 million for the Superstorm Sandy allocation and \$23 million for Irene and Lee allocation. In addition, \$4 million remains under the National Disaster Resiliency funding, also administered by the Governor’s Office for Storm Recovery. The balances are expected to continue to decline over the next few years when the remaining projects funded with these dollars are completed and closed out.

HOUSING TRUST FUND CORPORATION

Administrative Budget Request

Fiscal Year Ending March 31, 2023

HOUSING TRUST FUND CORPORATION

State Fiscal Year 2022-23 Administrative Budget Request

The primary source of administrative revenue used by the Corporation are the fees generated by the Performance Based Contract Administration (PBCA) program. The fees are the only source of unrestricted revenue used by the Corporation, but the contract under which these fees are generated is expected to terminate at the end of January 2023, providing for 10 months of revenue and expenses. HUD has indicated that they will be issuing an RFP during 2022. For the purposes of this request, HTFC revenue is based on current PBCA fee revenues through January 31, 2023.

Additional revenue for the corporation includes reimbursement of administrative expenditures related to the various federal programs administered by HTFC. Annually, HUD reimburses expenditures related to the CDBG, HOME, and HCV programs. With new Federal programs related to COVID and the American Rescue Plan, HTFC is anticipating additional reimbursement the Emergency Housing Choice Voucher Program (EHV), the Homeownership Assistance Fund (HAF), the HOME American Rescue Plan program, the Community Development Block Grant – COVID Relief (CDBG-CV), and the American Rescue Plan Weatherization Assistance Program (ARPA WAP).

Expenses are presented under three categories:

- **Personal Services** – salaries, fringe benefits, and indirect costs.
- **Non-Personal Services** – supplies, travel, contractual services, equipment and other.
- **Assessments** – charge back of costs by the Division of Housing and Community Renewal for staffing allocated to the PBCA, HCV and State Capital programs.

For 2022-23, the Corporation payroll is estimated at 160 staff. This is comprised of 108 Housing Trust Fund and 52 Governor's Office of Storm Recovery (GOSR) staff. It is anticipated that the GOSR staff will decline in out years as the disaster recovery funding spends down. The number of GOSR staff provided is an informational item, but all administrative costs associated with GOSR are included within the CDBG-DR program line and not shown as administrative costs of the Corporation.

HOUSING TRUST FUND CORPORATION
State Fiscal Year 2022-23 Administrative Budget
And
Prior Year Budget Comparison

Description	2021-22 Budgeted	2022-23 Budgeted	Net Change	Percent Change
Budget Available				
Total Estimated PBCA Fee Income	\$33,472,500	\$36,250,000	\$2,777,500	8.30%
Total Estimated Other Revenue	\$24,963,525	\$22,082,520	(\$2,881,005)	-11.54%
Total Funding All Sources	\$58,436,025	\$58,332,520	(\$103,505)	-0.18%
Anticipated Expenditures				
Personal Services				
Total Salaries, Fringe, Indirect	\$14,295,310	\$17,813,470	\$3,518,160	24.61%
Non-Personal Services				
Supplies	\$10,000	\$11,865	\$1,865	18.65%
Travel	\$175,450	\$200,050	\$24,600	14.02%
Contractual Services (Fungible)	\$623,483	\$114,369	(\$509,114)	-81.66%
Contractual Services (Fixed)	\$26,026,114	\$24,437,721	(\$1,588,393)	-6.10%
Total DHCR Assessments	\$14,956,246	\$14,884,000	(\$72,246)	-0.48%
Total Non-Personal Services	\$41,791,293	\$39,648,005	(\$2,143,288)	-5.13%
Total Estimated Expenditures	\$56,086,603	\$57,461,475	\$1,374,872	2.45%

HOUSING TRUST FUND CORPORATION

Program Budget Outlines

Fiscal Year Ending March 31, 2023

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HOUSING TRUST FUND CORPORATION BUDGET
State Programmatic Funding
Fiscal Year Ending March 31, 2023

State Appropriations	2021-22 Enacted Budget	2022-23 Executive Budget	Executive Budget Change Over 2021-22
Rural Rental Assistance Program ¹	\$21,630,000	\$0	(\$21,630,000)
Fair Housing Testing ²	\$0	\$2,000,000	\$2,000,000
Fair Chance Credit Check Program ²	\$0	\$250,000	\$250,000
Governor's Office of Storm Recovery (Local)	\$0	\$32,000,000	\$32,000,000
Housing Opportunities Prog for Elderly/RESTORE Main Street	\$1,400,000	\$1,400,000	\$0
Access to Home (ACCESS)	\$4,200,000	\$4,200,000	\$0
Homes for Working Families Program	\$1,000,000	\$1,000,000	\$0
Low Income Housing Trust Fund	\$14,000,000	\$14,000,000	\$0
Public Housing Modernization Program	\$44,200,000	\$44,200,000	\$0
Bonded Capital Housing Plan New Approp ³	\$6,400,000	\$6,400,000	\$0
Governor's Office of Storm Recovery (Capital)	\$186,000,000	\$4,505,000,000	\$4,319,000,000
Manufactured Home Advantage Program	\$130,000,000	\$77,000,000	(\$53,000,000)
	\$5,000,000	\$5,000,000	\$0
Total Anticipated State Appropriations	\$414,305,000	\$4,692,450,000	\$4,278,145,000
Mortgage Insurance Fund	2021-22 Enacted Budget	2022-23 Executive Budget	Executive Budget Change Over 2021-22
Neighborhood Preservation Program	\$12,830,000	\$12,830,000	\$0
Rural Preservation Program	\$5,360,000	\$5,360,000	\$0
Rural Rental Assistance Program	\$0	\$21,630,000	\$21,630,000
Total Anticipated Mortgage Insurance Fund	\$18,190,000	\$39,820,000	\$21,630,000
Anticipated Grand Total	\$432,495,000	\$4,732,270,000	\$4,299,775,000

¹. The Rural Rental Assistance Program was moved from Local Assistance to the Mortgage Insurance Fund for FY 2022-23.

². It is anticipated that the Fair Housing Testing and Fair Chance Credit Check Programs will be administered by HTFC.

³. A portion of the new Supporting Housing Capital Fund is expected to be transferred to the Corporation. It is unknown at this time how much of this will be transferred to HTFC.

Housing Trust Fund Corporation
Budget for the Fiscal Year Ending March 31, 2023

Federal Programs Not Subject to State Appropriation
Funding based on Federal Fiscal Year
October 1 through September 30

Annual Federal Programs	FFY 2020-21 Allocation	FFY 2021-22 Allocation	Year to Year Change
Office of Community Renewal			
Small Cities Community Development Block Grant	\$49,666,016	\$50,094,993	\$428,977
Home Investment Partnership Program	\$25,710,995	\$25,212,197	(\$498,798)
Office of Housing Preservation			
Project Based Contract Administration - Section 8			
Admin Fees ¹	\$42,000,000	\$42,300,000	\$300,000
Program Fees	\$1,670,000,000	\$1,700,000,000	\$30,000,000
Housing Choice Voucher Program - Section 8	\$511,960,608	\$515,043,374	\$3,082,766

¹ PBCA Admin Fees are the only source of unrestricted revenue for the corporation. The contract is expected to terminate 1/31/2023.

FEDERAL FUNDS AWARDED FOR COVID RELIEF
CARES ACT AND AMERICAN RESCUE PLAN FUNDS

CARES and ARPA Federal Funds	Total Allocation
Community Development Block Grant Covid 1	\$29,181,810
Community Development Block Grant Covid 2	\$70,693,638
Community Development Block Grant Covid 3	\$27,149,111
Housing Choice Voucher Program - CARES Act	\$31,721,053
ARPA Weatherization -- (LIHEAP)	\$34,217,000
Homeowner Assistance Fund	\$539,458,518

FEDERAL FUNDS AWARDED FOR FEDERAL DISASTER ACTIVITIES
ADMINISTERED BY THE GOVERNOR'S OFFICE OF STORM RECOVERY

Federal Disaster Recovery Programs	Total Allocation	Amount Expended to Date	Balance of Funds Available to Spend
CDBG-DR – Irene/Lee	\$71,654,116	\$49,152,288	\$22,501,828
CDBG-DR – Sandy	\$4,416,882,000	\$3,913,912,684	\$502,969,316
National Disaster Resiliency (NDR)	\$35,800,000	\$31,886,076	\$3,913,924