



**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 2, 2023

Subject: Approval of the Administrative Budget Request for Fiscal Year 2023-24

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 2022 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 2023-24 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 2022-23 appropriations.

Recommendation and Requested Action

I am seeking approval of HTFC's 2023-24 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, 2024

HOUSING TRUST FUND CORPORATION
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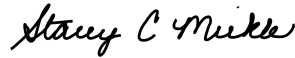
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HOUSING TRUST FUND CORPORATION

Fiscal Year 2024 Administrative Budget Request Fiscal Year 2024 Program Budget Outline

Certification by The Treasurer

Presented herewith is the proposed administrative budget request and program budget outline for the period April 1, 2023 to March 31, 2024. This information was prepared in accordance with generally accepted accounting principles on a modified accrual basis.



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, and four (4) members 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. In October 2022, Governor Hochul announced the creation of the new Office of Resilient Homes Communities (RHC) as a component unit of HTFC under the Homes and Community Renewal (HCR) umbrella. At this time, the administrative budget for this unit has not been established and is not included in this presentation. However, as the details of this unit become known, an amendment to the budget may need to be presented for approval.

Administrative expenditures are tracked back to each unit. Year to year budget comparisons shows an anticipated increase in both revenue and expenditures. This increase is due to several factors including an increase in Federal reimbursable expenses from the various Federal programs administered by HTFC and an increase in Performance Based Contract Administration (PBCA) revenue and expenditures. In prior years, HTFC anticipated a loss in PBCA fees and expenditures because of HUD's anticipated procurement for new administrators. While a procurement action is still being proposed by HUD, it is likely to not occur until fiscal year 2024-25 or later. This year's administration budget anticipates a full year of administrative fees and expenses.

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 posting requirement to post the budget ninety days before the beginning of the fiscal year (January 1st) and the State Comptrollers' regulations, that within seven days of the beginning of the fiscal year (April 1st), the approved budget is to be posted on the Corporation's web site and made available to the public. 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 and other State agency transfers. The tables provided for State appropriations are based on the proposed executive budget presented to the legislature in January and includes appropriations earmarked for DHCR with language allowing for the transfer to other entities. The full amount of the estimated DHCR appropriation is listed,

but many of the amounts listed may be transferred in whole or in part to other entities including HTFC. Federal appropriations are based on the Federal appropriations for the current Federal Fiscal year which runs from October 1, 2022 through September 30, 2023. Funding for the upcoming Federal Fiscal Year, October 1, 2023 through September 30, 2024 are anticipated to be consistent with prior year appropriations.

For State Fiscal Year 2023-24, the executive budget proposes consistent funding levels for the core programs administered by the Corporation. Local Assistance funding includes \$2 million for Fair Housing Testing, \$250,000 for Fair Chance Credit Check, \$1 million for the Community Controlled Affordable Housing Programs and \$20 million is being proposed for a Planning Assistance Fund. Capital Project Funds include \$28 million for the Governor's Office of Storm Recovery, \$5 million for the Manufactured Home Advantage Program, \$20 million for a Lead Abatement Program, and \$15 million for a Statewide Data Collection Program.

The Federal Fiscal Year Budget for October 1, 2022 September 30, 2023 shows a \$1.6 million decrease increase for the annual CDBG program, but a \$3 million increase for the annual HOME Investment Partnership Program.

It is anticipated that additional Federal program expenditures will include Coronavirus Aid, Relief, and Economic Security (CARES) Act, the American Rescue Plan Act (ARPA), and Bi-Partisan Infrastructure Law (BIL) funding. HTFC was awarded \$127 million in CDBG CARES funding, \$95 million in HOME ARPA funding, \$35 million in Weatherization ARPA Funding, \$540 million in Homeownership Assistance Fund (HAF), and \$26 million in BIL funding for Weatherization Assistance Program.

Additional Federal funding administered by HTFC includes Community Development Block Grant – Disaster Recovery (CDBG-DR) funding for Hurricane Irene and Lee, Superstorm Sandy, and Hurricane Ida and National Disaster Resiliency Funding. 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, 2024

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. While HUD has been proposing to issue a new request for proposals (RFP) for administrative services, it is anticipated that this RFP will not be issued until at least 2024. Therefore, we are currently anticipating a full fiscal year of fees and expenses related to this program. This is demonstrated by a significant increase (21%) in PBCA fee revenue for this fiscal year whereas in prior year, we anticipated only a partial year of funding.

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. Additional Federal programs with anticipated federal administrative reimbursement includes the Emergency Housing Choice Voucher Program (EHV), the Homeownership Assistance Fund (HAF), the HOME American Rescue Plan, the Community Development Block Grant – COVID Relief (CDBG-CV), the American Rescue Plan Weatherization Assistance Program (ARPA WAP), and the Bipartisan Infrastructure Law (BIL) funding for Weatherization.

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 2023-24, the Corporation payroll is estimated at 162 staff. This is comprised of 121 Housing Trust Fund and 41 staff currently administering the CDBG-DR programs. The increase in HTFC staff includes positions to administer the increased Federal funds and the \$5 billion housing plan funded in the 2022-23 New York State Budget. It is anticipated that the CDBG-DR staff will decline in out years as the disaster recovery funding spends down. The number of CDBG-DR staff provided is an informational item, but all administrative costs associated with CDBG-DR are currently included within the CDBG-DR program amounts and not shown as administrative costs of the Corporation.

HOUSING TRUST FUND CORPORATION
State Fiscal Year 2023-24 Administrative Budget
And
Prior Year Budget Comparison

Description	2022-23 Budgeted	2023-24 Budgeted	Net Change	Percent Change
Budget Available				
Total Estimated PBCA Fee Income	\$36,250,000	\$44,000,000	\$7,750,000	21.38%
Total Estimated Other Revenue	\$22,082,520	\$24,415,423	\$2,332,903	10.56%
Total Funding All Sources	\$58,332,520	\$68,415,423	\$10,082,903	17.29%
Anticipated Expenditures				
Personal Services				
Total Salaries, Fringe, Indirect	\$17,813,470	\$17,085,543	(\$727,927)	-4.09%
Non-Personal Services				
Supplies	\$11,865	\$12,000	\$135	1.14%
Travel	\$200,050	\$301,390	\$101,340	50.66%
Contractual Services (Fungible)	\$114,369	\$166,847	\$52,478	45.88%
Contractual Services (Fixed)	\$24,437,721	\$31,540,965	\$7,103,244	29.07%
Total DHCR Assessments	\$14,884,000	\$14,896,000	\$12,000	0.08%
Total Non-Personal Services	\$39,648,005	\$46,917,202	\$7,269,197	18.33%
Total Estimated Expenditures	\$57,461,475	\$64,002,745	\$6,541,270	11.38%

HOUSING TRUST FUND CORPORATION

Program Budget Outlines

Fiscal Year Ending March 31, 2024

HOUSING TRUST FUND CORPORATION BUDGET
State Programmatic Funding
Fiscal Year Ending March 31, 2024

State Appropriations	2022-23 Enacted Budget	2023-24 Executive Budget	Executive Budget Change Over 2022-23
Local Assistance Funds			
Community Controlled Affordable Housing	\$1,000,000	\$1,000,000	\$0
Fair Housing Testing	\$2,000,000	\$2,000,000	\$0
Fair Chance Housing Reforms	\$250,000	\$250,000	\$0
Governor's Office of Storm Recovery	\$32,000,000	\$0	(\$32,000,000)
Legal Representation for Eviction	\$35,000,000	\$0	(\$35,000,000)
Land Banks	\$50,000,000	\$0	(\$50,000,000)
Planning Assistance Fund	\$0	\$20,000,000	\$20,000,000
Total Anticipated Local Assistance Funds	\$120,250,000	\$23,250,000	(\$97,000,000)
Capital Projects Funds			
Housing Opportunities Prog for Elderly/RESTORE	\$3,400,000	\$1,400,000	(\$2,000,000)
Main Street	\$4,200,000	\$4,200,000	\$0
Access to Home (ACCESS)	\$1,000,000	\$1,000,000	\$0
Homes for Working Families Program	\$14,000,000	\$14,000,000	\$0
Low Income Housing Trust Fund	\$44,200,000	\$44,200,000	\$0
Public Housing Modernization Program	\$6,400,000	\$6,400,000	\$0
Bonded Capital Housing Plan	\$4,505,000,000	\$0	(\$4,505,000,000)
Governor's Office of Storm Recovery	\$77,000,000	\$28,000,000	(\$49,000,000)
Lead Abatement Program	\$0	\$20,000,000	\$20,000,000
Manufactured Home Advantage Program	\$5,000,000	\$5,000,000	\$0
Statewide Data Collection Program	\$0	\$15,000,000	\$15,000,000
Small Rental Housing Development Initiative	\$7,000,000	\$0	(\$7,000,000)
Total Anticipated Capital Appropriations	\$4,667,200,000	\$139,200,000	(\$4,528,000,000)
Mortgage Insurance Fund			
Neighborhood Preservation Program	\$12,930,000	\$12,830,000	(\$100,000)
Rural Preservation Program	\$5,460,000	\$5,360,000	(\$100,000)
Rural Rental Assistance Program	\$21,630,000	\$21,710,000	\$80,000
Total Anticipated Mortgage Insurance Fund	\$40,020,000	\$39,900,000	(\$120,000)
Anticipated Grand Total	\$4,827,470,000	\$202,350,000	(\$4,625,120,000)

Housing Trust Fund Corporation
Budget for the Fiscal Year Ending March 31, 2024

Federal Programs Not Subject to State Appropriation

Annual Federal Programs Funding Based on Federal Fiscal Year 10/1-9/30	2021-22 Allocation	2022-23 Allocation	Year to Year Change
Small Cities Community Development Block Grant	\$50,094,993	\$48,491,031	(\$1,603,962)
Home Investment Partnership Program	\$25,212,197	\$28,300,720	\$3,088,523
Project Based Contract Administration - Section 8			
Admin Fees ¹	\$42,300,000	\$44,000,000	\$1,700,000
Program Fees	\$1,700,000,000	\$1,735,000,000	\$35,000,000
Housing Choice Voucher Program - Section 8	\$515,043,374	\$565,115,635	\$50,072,261
Total Annual Federal Programs	\$2,332,650,564	\$2,420,907,386	\$88,256,822

CARES, ARPA, and BIL Programs	Total Allocation
Community Development Block Grant Covid 1	\$127,024,559
Housing Choice Voucher Program - CARES Act	\$31,721,053
ARPA Weatherization -- (LIHEAP)	\$34,217,000
HOME ARPA	\$93,489,813
Homeowner Assistance Fund	\$539,458,518
Total CARES, ARPA, and BIL	\$825,910,943

Disaster Recovery Programs	Total Allocation
CDBG-DR – Irene/Lee	\$71,654,116
CDBG-DR – Sandy	\$4,416,882,000
CDBG-DR -- Ida	\$68,228,000
National Disaster Resiliency (NDR)	\$35,800,000
Total Disaster Recovery	\$4,592,564,116