

Annual PHA Plan <i>(Standard PHAs and Troubled PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 02/29/2016
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

Applicability. Form HUD-50075-ST is to be completed annually by **STANDARD PHAs** or **TROUBLED PHAs**. PHAs that meet the definition of a High Performer PHA, Small PHA, HCV-Only PHA or Qualified PHA do not need to submit this form.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, and PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

A.	PHA Information.																														
A.1	<p>PHA Name: <u>Municipal Housing Authority for the City of Yonkers, New York (MHACY)</u> PHA Code: <u>NY003</u> PHA Type: <input checked="" type="checkbox"/> Standard PHA <input type="checkbox"/> Troubled PHA PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>07/01/2019</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Public Housing (PH) Units: <u>Includes Croton Heights, Grant Park I and School House Terrace (628); Number of Housing Choice Vouchers (HCVs): (3,079); Project-Based Vouchers (282); PH to Rental Assistance Demonstration (RAD) PBV: (1350) . PH to Section 8 via Section 18 and De Minimis (65 units)</u> These are using S8 vouchers but are PBV non RAD. <u>The numbers provided are reflective as of (04/01/19) may change during the FY 2019 fiscal year based on RAD or other development projects.</u></p> <p>PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission Availability of Information. PHAs must have the elements listed below in sections B and C readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans. <input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1" data-bbox="203 1465 1408 1883"> <thead> <tr> <th rowspan="2">Participating PHAs</th> <th rowspan="2">PHA Code</th> <th rowspan="2">Program(s) in the Consortia</th> <th rowspan="2">Program(s) not in the Consortia</th> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>					Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																	
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B.	Annual Plan Elements
B.1	<p>Revision of PHA Plan Elements.</p> <p>(a) Have the following PHA Plan elements been revised by the PHA? Y N</p> <ul style="list-style-type: none"> <input type="checkbox"/> <input checked="" type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs <input checked="" type="checkbox"/> <input type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions. <input checked="" type="checkbox"/> <input type="checkbox"/> Financial Resources. <input checked="" type="checkbox"/> <input type="checkbox"/> Rent Determination <input checked="" type="checkbox"/> <input type="checkbox"/> Operation and Management. <input checked="" type="checkbox"/> <input type="checkbox"/> Grievance Procedures. <input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs. <input type="checkbox"/> <input checked="" type="checkbox"/> Community Service and Self-Sufficiency Programs. <input type="checkbox"/> <input checked="" type="checkbox"/> Safety and Crime Prevention. <input checked="" type="checkbox"/> <input type="checkbox"/> Pet Policy. <input type="checkbox"/> <input checked="" type="checkbox"/> Asset Management. <input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation. <input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification <p>(b) If the PHA answered yes for any element, describe the revisions for each revised element(s):</p> <ol style="list-style-type: none"> 1. Deconcentration, and Other Policies that Govern Eligibility, Selection and Admissions and Operation and Management. The MHACY has revised its waiting list policies from utilizing a centralized (one list) to site-based waiting list. This revision ensures that each applicant on the waiting list will have an opportunity to reside in a community of choice versus one of determined selection. Also, as the MHACY is converting to RAD Project-Based Vouchers (PBV) this type of waiting list is more conducive for effective implementation of housing selection. The MHACY will revise in FY 18 the Admissions and Continued Occupancy Plan (ACOP) and the Administrative (Admin) Plan. The following changes to the Plans will be adopted by the Board of Commissioners on April 18, 2019): <ul style="list-style-type: none"> ✓ The MHACY will utilize the Dru Sjodin National Sex Offender Database ✓ The MHACY will assume that assets earn income based on the FDIC rate ✓ The MHACY will streamline re-certification for households on fixed-income ✓ Service and Assistance Animals can be denied based on being classified as out of control; not house broken; pose a direct threat to others; Test is “does the animal perform the assistance or provide the benefit needed by the person with disabilities and Pets shall be maintained within the units and on a leash or carried outside and not in common areas. ✓ The MHACY will not offer grievance hearings for criminal activity that threatens life, health, or safety. ✓ If household income exceeds 120% of median income for two (2) years, the MHACY will terminate tenancy or the rent will be set at the higher of Fair Market Rent (FMR) or subsidy ✓ The MHACY will utilize all of the updated required Violence Against Women Act (VAWA) forms ✓ The MHACY intends to review and amend its policies and procedures to assure compliance with its Fair Housing obligations, as they are defined by federal and state law. <p>The Admin Plan and ACOP will be revised in FY19 based on mandated updates from HUD and in areas conducive for more effective administration.</p> 2. The Financial Resources for MHACY continue to decrease as a result of the conversion of its properties to RAD and reduced funding from HUD. 3. Rent determinations and structure will also be based as applicable on HUD RAD and Tax Credit requirements as MHACY continues its conversion to RAD and the previously converted properties.

4. **Operation and Management.** The MHACY has implemented a revised Property Management operational and organization staff structure based on the applicable requirements per RAD.
 - Based on the HUD final rule issued March 8, 2015 “*Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing and Community Planning and Development Programs*”, the MHACY will consider options to reduce administrative burden and enable more efficient use of scarce resources through reviewing and revising as applicable, the following:
5. **Grievance Procedures.** The MHACY has revised the grievance procedures to ensure compliance and consistency with the New York State Homes and Community Renewal Tax Credit requirements.
6. **Pet Policy:** The Pet Policy was revised (September 2018) to clarify the language needed per RAD development.
7. **Substantial Deviation:** The MHACY will not consider changes to its Annual Plan, ACOP, Admin Plan and other policies based upon compliance or consistency with NY State Homes and Community renewal, Tax Credit investor and lender requirements for its properties or pursuant to its RAD conversion a Substantial Deviation.
8. **Substantial Amendment/Modification.** See B.1 (HUD-format Significant Deviation Chart) is included with the FY 2019 Annual Plan that summarizes all of the elements revised to include RAD components,

(c) The PHA must submit its Deconcentration Policy for Field Office review.

As per requirement, a Deconcentration Plan will be submitted by the applicable parties upon RAD conversion to be approved by the HUD Field Office.

B.2

New Activities.

(a) Does the PHA intend to undertake any new activities related to the following in the PHA’s current Fiscal Year?

Y N

- Hope VI or Choice Neighborhoods.
- Mixed Finance Modernization or Development.
- Demolition and/or Disposition.
- Designated Housing for Elderly and/or Disabled Families.
- Conversion of Public Housing to Tenant-Based Assistance.
- Conversion of Public Housing to Project-Based Assistance under RAD.
- Occupancy by Over-Income Families.
- Occupancy by Police Officers.
- Non-Smoking Policies.
- Project-Based Vouchers.
- Units with Approved Vacancies for Modernization.
- Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan.

Eight (8) elements were checked yes to include; Mixed Finance Modernization or Development; Demolition and/or Disposition; Designated Housing for Elderly and/or Disabled Families; Conversion of Public Housing to Tenant-Based Assistance, Conversion of Public Housing to Project-Based Assistance under RAD; Project-Based Vouchers; Units with Approved Vacancies for Modernization; and Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants). The MHACY has applied to the RAD program for designated sites, as listed in **Attachment B.1**.

The following MHACY sites have been converted to RAD:

- Seven Townhomes, LP. (Scattered Sites) closed on November 16, 2017.
- Yonkers Senior Apartments, LLC. (Curran Court, Hall Homes, & Martinelli Homes) closed on December 26, 2017.
- Yonkers Preservation, LLC. (Flynn Manor, Schlobohm Houses, and Walsh Road) closed on March 5, 2018.
- Troy Kristensen, L.P. (Troy Manor and Kris Kristensen) closed on March 20, 2019.

Based on the participation in this program, optional financial tools are being explored to preserve the affordable housing units in Yonkers, NY. The MHACY is also pursuing options to ensure long-lasting viability of its housing stock. Some of the options include:

- Designated housing for Elderly and/or Disabled Families
- Including over income families in all development plans for the redevelopment of MHACY properties
- Exploring all financial options for the redevelopment of MHACY properties including RAD and Section 18 disposition
- Conversion of Public Housing to Project-Based Assistance under RAD
- Different financial alternatives (State Housing Programs) for Over-Income Families.
- Continue the redevelopment of the Cottage Gardens site using disposition authority under Section 18 of the Act.
- Pursue Safety and Security Grants
- Request Section 18 disposition approval for up to 25 percent (25%) of its RAD units pursuant to HUD PIH Notice 2018-04 and request additional, Project-Based Vouchers (PBVs) for the units approved for disposition. The MHACY will also continue to utilize the five percent (5%) de minimis provisions under the RAD notice previously approved in the FY2016, FY2017, and FY2018 Annual Plans.
- Utilize Demolition/Section 18 disposition authority for all remaining public housing properties including Calcagno Homes, Loehr Court and Cottage Gardens. In addition, the MHACY may use RHF/DDTF, CFP funds and reserves for improvements and development initiatives in remaining public housing properties.
- The MHACY will pursue additional funding opportunities to include vouchers, for targeted and special populations.
- After the RAD conversions, if a Co-developer Partner, Developer, Investor, State, or Federal Agency, chooses to revise the lease or any procedural and/or process documents, subject to the existing agreements, the MHACY will ensure the revisions comply with all fair housing and civil rights requirements and the residents will not be negatively impacted by the conversion activities.
- Pursue additional funding opportunities to include vouchers, for targeted and special populations.

The following elements are a priority in FY2019 as pertains to implementation:

- The MHACY will continue the implementation of the redevelopment of Cottage Gardens pursuant to the approved Section 18 application or through revisions to the approval.
- MHACY has submitted a request to HUD to allow it to accumulate all of its Replacement Housing Factor / Demolition or Disposition Transition Funds (RHF/DDTF) funds these funds will be utilized to fund pre-development expenses in their entirety.
- It is the MHACY's intention to convert all of its ACC units into PBV units pursuant to the RAD program with the exception of units being submitted for demolition and disposition approval. 76 ACC units (Grant Park and Croton Heights) Landex and TCB properties might be converted to RAD
- The MHACY will continue with the previously approved RAD Development Plan in FY 19. The Seven Townhomes (former Scattered Sites) Hall Homes, Monsignor Troy Manor, Kris Kristensen, Martinelli Manor, Curran Court, Flynn Manor, Schlobohm and Walsh Road have closed. Kris Kristensen and Monsignor Troy Manor are not receiving HAP funds through HCV as per the date of the FY19 Annual Plan submission, but will receive CFP. The funding though will be restricted for HAP payments.
- The MHACY has received approval to dispose of the remaining surplus Mulford Gardens Property to the City of Yonkers Public Schools System to construct a school on the remaining site.
- The MHACY has continued to meet with potential stakeholders, report and communicate progress to all parties and gather feedback from the community and affected residents. MHACY also is currently conducting extensive community development, capacity building, and planning activities in concert with the City of Yonkers.
- Resident services will continue to be a priority and will be facilitated with an agreement through Family Supportive Services of Yonkers (FSSY) through on-site designated Service Coordinators.

	<ul style="list-style-type: none"> • The MHACY intends to partner with a local non-profit to redevelopment the former Longfellow public school site into senior housing assisted with PBV provided by the Authority. • The MHACY intends to use all of its DDTF/RHF funds for pre-development expenses related to the remaining redevelopment of its RAD properties. • The MHACY will pursue additional funding opportunities to expand affordable housing and social service options to targeted and special populations, i.e., Federal Home Loan Bank. • The Admissions and Continuing Occupancy (ACOP) Plan is being revised and will go before the Board of Commissioners in April 2019 (FY2018/July 1, 2018 – June 30, 2019) and will be revised in (FY2019/July 1, 2019 – June 30, 2020), as applicable
<p>B.3</p>	<p>Civil Rights Certification. (See B.3)</p> <p>Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
<p>B.4</p>	<p>Most Recent Fiscal Year Audit. (See B.4)</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>(a) If yes, please describe: The Audit Report (Attachment B.4) is FYE 06/30/18.</p>
<p>B.5</p>	<p>Progress Report. (See B.1)</p> <p>Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan.</p> <p>Through the maximization of resources, the MHACY is continuing to demonstrate significant progress in meeting the mission and goals identified in the Five (5) Year (2015-2019) Plan. The MHACY will continue to strive toward meeting the needs of the residents through continued accomplishment of the targeted goals, as all strategies in FY 2019 are consistent with the Five (5) Year Plan as they are a continuation of efforts and identified goals. More specifically, all activities in FY 2019 will be directed towards continued improvement of all management systems, procedures, and the administrative structure of the Agency.</p> <p>The MHACY's Definitions of Substantial Deviation and Significant Amendment or Modification will not consider changes to its Annual Plan, ACOP and Admin Plan, and other policies based upon compliance and consistency with NY State Homes and Community renewal, Tax Credit investor and lender requirements for its properties a Substantial Deviation.</p> <p>The MHACY intends to leverage all available options in transitioning its Public Housing to non-public housing sources and subsidies and intends to leverage Section 18 disposition authority, Project-Based Vouchers, RAD, Tenant-Based Vouchers and any other resources, authorities or programs.</p> <p>To the extent necessary, the MHACY may request units remain vacant for modernization, conversion to RAD or redevelopment to minimize resident impact and enable design professionals to assess the rehabilitation needs and requirements. MHACY may also request approval to re-occupy units approved for demolition or disposition on a temporary basis to allow for temporary relocation of residents during redevelopment.</p> <p>As a component of the implementation of the MHACY's Choice Neighborhood Transformation Plan, the PHA intends to partner with the City of Yonkers Public Schools System to construct a school on the remaining parcel of the Mulford Gardens Public Housing Development. Based on the commensurate benefit to the Choice neighborhood residents of the targeted communities, the MHACY intends to provide the referenced property to the City Schools for a nominal value for the availability of before and after school programs and related support services.</p>

	<p>Although planned Conversion Activities were addressed in the Five (5) Year (2015-2019) Plan but as some of the targeted development numbers for conversion have changed, a summary of the projected RAD conversion is included as Attachment B.1</p> <p>The MHACY held the required public hearings and received Board of Commissioners approval for the FY 2019 Annual Plan. The Questions and Comments presented during the two (2) Public Hearings were primarily concerning the Relocation efforts during the RAD conversions. All of the comments were reviewed and it was determined changes were not required for the FY 2019 Annual Plan. See Comments as Attachment B.5</p>
B.6	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) provide comments to the PHA Plan? Y N <input checked="" type="checkbox"/> <input type="checkbox"/> The RAB reviewed the Revised Annual Plan and provided comments. See Attachment B. 6</p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
B.7	<p>Certification by State or Local Officials. (See B.7) Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
B.8	<p>Troubled PHA.</p> <p>(a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place? Y N N/A <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe:</p>
C.	<p>Statement of Capital Improvements. Required for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).</p>
C.1	<p>Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD. The 5-Year Action Plan (HUD-50075.2) submitted in April 2018 was approved by HUD on 02/06/2019. (Also, the MHACY is complying with the HUD requirement to submit CFP information through EPIC. The CFP19 and the Five (5) Year information was submitted into EPIC per HUD regulations.</p>

B.1

Rental Assistance Demonstration (RAD)

Requirements for RAD-Specific PHA Plan and/or Significant Amendment to the PHA Plan Submission

Housing Authority #	Housing Authority Name	Fiscal Year Begin Date
NY003	Municipal Housing Authority for the City of Yonkers	July 1, 2019

The Municipal Housing Authority for the City of Yonkers, New York (MHACY) amended its FY 2015-2019 Five (5) Year Plan in May 2016 by including additional information in the FY 2016 and FY17 Annual Plans as it was a successful applicant in the Rental Assistance Demonstration (RAD) Program. The information included in this Attachment 1 is an update for the FY 2019 Annual Plan as MHACY is still converting some of its inventory to Project-Based Voucher (PBV) Assistance under the guidelines of PIH Notice 2012-32, REV-1 and any successor Notices.

Upon conversion to PBV, the Authority will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6 of PIH Notice 2012-32, REV-2; and Joint Housing PIH Notice H-2014-09/PIH-2014-17). These resident rights, participation, waiting list and grievance procedures are included or appended with this Attachment. Additionally, MHACY is currently compliant with all fair housing and civil rights requirements and is **not** under a Voluntary Compliance Agreement (VAC), therefore, compliance will not be negatively impacted by any conversion activities. After the RAD conversions, if a Co-developer Partner, Developer, Investor or State or Federal Agency, chooses to revise the lease or any procedural and/or process documents, the MHACY will ensure the revisions are in compliance with all fair housing and civil rights requirements and the residents will not be negatively impacted by the conversion activities.

The MHACY intends to request Section 18 disposition approval for up to 25 percent of its RAD units pursuant to HUD PIH Notice 2018-04 and request additional, Project-Based Vouchers (PBVs) for the units approved for disposition. The MHACY will also continue to utilize the 5% de minimis provisions under the RAD notice previously approved in the FY2016, FY2017, and FY2018 Annual Plans. The MHACY will utilize the Demolition/Section 18 disposition rules for Calcagno Homes and Loehr Court. In addition, the MHACY will use the RHF and CFP funds for improvements and development initiatives in these two properties.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing MHACY with access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, the Authority's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that MHACY may also borrow funds to address their capital needs.

MHACY may contribute Operating Reserves in the amount of up to \$100,000 per project to the extent available FY19 Capital Funds (CFP) and Demolition Disposition Transition Funding (DDTF) Funds in the amount of up to \$2,924,820 towards the conversion. Public Housing Units were utilized to factor this calculation of funds for commitment as units were demolished at Cottage Place Gardens. The MHACY currently has debt under an Energy Performance Contract and will be working with HUD and Bank of America to address outstanding debt repayment,, which may result in additional reductions of capital or operating funds.

In the FY 2018 Annual Plan, the MHACY included as **Attachment 1A** a certification statement on Agency letterhead certifying that the RAD conversion complies with all applicable site selection and neighborhood reviews standards and that all appropriate procedures have been followed. All other required information and certifications necessary to submit the PHA FY 2019 Annual Plan, including Resident Advisory Board comments and responses to include challenged elements are included as the applicable attachments referenced in the form **HUD-50075-ST**. Additionally, in accordance with 24 CFR Part 903, the MHACY during the public hearings held on Thursday, April 4, 2019, performed the following actions in regards to their Capital Funds:

- Notified the public that the current and future Capital Fund Program Grants Budgets, will be reduced as a result of any projects converting to RAD and any potential budget cuts from HUD.
- Provided an estimate of the amount of the current Capital Fund grant that is associated with the proposed project(s) and discussed the impact on the PHA's current Five-Year PHA Plan and Five-Year Capital Fund Action Plan.
- Provided a discussion as pertains to the current Energy Performance Contract (EPC) and how the RAD conversion will have an impact.
- Provided a proposal to utilize Replacement Housing Factor (RHF) funds to facilitate conversion and the estimated impact of those activities.

As previously stated, the MHACY will also continue to utilize the 5% de minimis provisions under the RAD notice previously approved in the FY 2016, FY 2017 and FY 2018 Annual Plans. As part of its strategy to convert its public housing units to Section 8, the MHACY will bundle Section 18 vouchers from HUD with MHACY's PBVs for the disposition of RAD units. PIH 2018-04, Sec 3.4.3.c permits properties converting under RAD to receive Section 18 approval and vouchers, which is subject to appropriations, and conditioned on a strategy to replace and redevelop the units.

Significant Amendment Definition:

As a component of the Rental Assistance Demonstration (RAD) and the decision to convert to PBV, the MHACY is redefining the definition of a substantial deviation from the approved FY 2015-2019 Five Year Plan to exclude the following RAD-specific items. These substantial amendment definitions were stated in the approved FY2017, FY2018 Annual Plan and are being included in FY2019.

- Changes to the Capital Fund Budgets produced as a result of each approved RAD conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
- Changes to the construction and/or rehabilitation plan for each approved RAD conversion; and
- Changes to the financing structure for each approved RAD conversion.

SPECIFIC DEVELOPMENT DATA

Once a development has closed per the RAD requirements, the applicable site is no longer included on the MHACY charts. **The following MHACY sites have been converted to RAD:**

- Seven Townhomes, LP. (Scattered Sites) closed on November 16, 2017;
- Yonkers Senior Apartments, LLC. (Curran Court, Hall Homes, & Martinelli Homes) closed on December 26, 2017;
- Yonkers Preservation, LLC. (Flynn Manor, Schlobohm Houses and Walsh Road) closed on March 5, 2018; and
- Troy Kristensen, L.P. (Troy Manor and Kris Kristensen) closed on March 20, 2019.

Once the MHACY decides on the exact structure for the potential RAD conversions for Croton Heights, Grant Park and School House Terrace, RAD charts will be prepared for the applicable sites and forwarded to HUD.

The specific information related to the Public Housing Developments selected for RAD (not closed) is included in chart form or in subsequent narrative.

1. A description of the units to be converted. The description should include the following:
 - a. The number of units;
 - b. The bedroom distribution of units, and
 - c. The type of units (e.g., family, elderly/disabled, or elderly-only).
2. Any change in the number of units that is proposed as part of the conversion, including:
 - a. De minimis unit reductions;
 - b. Unit reductions that are exempt from the de minimis cap; and
 - c. Any change in the bedroom distribution of units that is proposed as part of the conversion.
3. Changes in the policies that govern eligibility, admission, selection, and occupancy of units at the project after it has been converted.
 - a. If Converting to PBV: This includes any waiting list preferences that will be adopted for the converted project as well as the Resident Rights and Participation, Tenant Protections for residents stated in Section 1.6, Attachment 1B of this Notice and the Joint Housing/PIH Notice H-2014-09/ PIH-2014-17. **MHACY is converting to PBV.**
 - b. The MHACY intends to request Section 18 disposition approval for up to 25 percent of its RAD units pursuant to HUD PIH Notice 2018-04 and request additional, Project-Based Vouchers (PBVs) for the units approved for disposition. The MHACY will also continue to utilize the 5% de minimis provisions under the RAD notice previously approved in the FY 2016 Annual Plan.
 - c. If Converting to PBRA: This includes any waiting list preferences that will be adopted for the converted project as well as the Resident Rights and Participation, Tenant Protections for residents stated in Section 1.7 and Attachment 1B of this Notice and the Joint Housing

4. If there will be a transfer of assistance at the time of conversion, the significant amendment must include:
 - a. The number of units to be transferred;
 - b. The bedroom distribution of the units in the new building(s);
 - c. The type of units, if changed (e.g., family, elderly/disabled, or elderly-only);
 - d. Any reduction or change in the number of units and what reduction category they fall under (i.e. de minimis); and
 - e. How the waiting list will be transferred and how households will be selected for an indication of whether the PHA is currently under a voluntary compliance agreement, consent order or consent decree or final judicial ruling or administrative ruling or decision and an assurance that compliance will not be negatively impacted by conversion activities

Development #1

Name of Public Housing Development:
Calcagno Homes

PIC Development ID:
NY 003-000050

Conversion type:
PBV

Transfer of Assistance:
None

Total Units:	Pre- RAD Unit Type (i.e., Family, Senior, etc.):	Post-RAD Unit Type if different (i.e., Family, Senior, etc.)	Capital Fund allocation of Development: (Annual Capital Fund Grant, divided by the total number of public housing units in PHA, multiplied by the total number of units in the project) (1) MHACY intends to spend up to \$2,487,138.66 in accumulated RHF funds (2015-2018).
278	Family	Family	
Bedroom Type	Number of Units Pre-Conversion	Number of Units Post-Conversion	Change in Number of Units per Bedroom Type and Why (De Minimis Reduction, Transfer of Assistance, Unit Reconfigurations, NONE)
Studio/Efficiency	0	0	
One Bedroom	67	67	
Two Bedroom	157	157	
Three Bedroom	42	42	
Four Bedroom	12	12	
Five Bedroom			
Six Bedroom			
(If performing a Transfer of Assistance)	(Explain how transferring waiting list) NOT APPLICABLE		

Development #2

Name of Public Housing Development:	PIC Development ID:	Conversion type:	Transfer of Assistance:
Loehr Court	NY 003-000070	PBV	None

Total Units:	Pre- RAD Unit Type (i.e., Family, Senior, etc.):	Post-RAD Unit Type if different (i.e., Family, Senior, etc.)	Capital Fund allocation of Development: (Annual Capital Fund Grant, divided by the total number of public housing units in PHA, multiplied by the total number of units in the project) MHACY intends to spend up to \$2,487,138.66 in accumulated RHF funds (2015-2018).
80	Senior	Senior	

Bedroom Type	Number of Units Pre-Conversion	Number of Units Post-Conversion	Change in Number of Units per Bedroom Type and Why (De Minimis Reduction, Transfer of Assistance, Unit Reconfigurations, NONE)
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Studio/Efficiency

One Bedroom	80	40	
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Two Bedroom		12	
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Three Bedroom		8	
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Four Bedroom			
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Five Bedroom			
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Six Bedroom

(If performing a Transfer of Assistance)	(Explain how transferring waiting list)
	NOT APPLICABLE

PROJECT-BASED VOUCHER ASSISTANCE (PBV)

Project-Based Voucher Requirements for Resident Rights, Participation, Waiting List and Grievance Procedures Converting to PBV: Section 1.6 of PIH Notice 2012-32, REV-2 and the Joint Housing PIH Notice H-2014-09/PIH-2014-17.

PBV Resident Rights and Participation

- 1. No Rescreening of Tenants upon Conversion.** Pursuant to the RAD statute, at conversion, current MHACY households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, based on 24 CFR § 982.201 concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family. **MHACY will comply with the regulation.**
- 2. Right to Return.** Any MHACY resident that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to the development once an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved, (on conditions warranting a transfer of assistance), residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept a MHACY or Owner's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed. **MHACY will comply with the regulation.**
- 3. Renewal of Lease:** Since the release of the publication of the PIH Notice 2012-32 Rev 1, the regulations under 24 CFR 983.257 (b) (3) have been amended requiring Project Owners to renew all leases upon lease expiration, unless cause exists. **MHACY will comply with the regulation.**
- 4. Phase-in of Tenant Rent Increases.** If a resident's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over three (3) years, which a PHA may extend to five (5) years. To implement this provision, HUD is waiving section 3(a) (1) of the Act, as well as 24 CFR § 880.201 (definition of "total tenant payment"), to the limited extent necessary to allow for the phase-in of tenant rent increases. A PHA create a policy and set the length of the phase-in period to be three years, five years or a combination depending on circumstances. For example, a PHA may create a policy that uses a three year phase-in for smaller increases in rent and a five year phase-in for larger increases in rent. This policy must be in place at conversion and may not be modified after conversion. **MHACY has selected the three year phase-in for any tenant rent increases.**

The below method explains the set percentage-based phase-in an owner must follow according to the phase-in period established. For purposes of this section "Calculated Multifamily TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058. If a family in a project converting from Public Housing to PBV was paying a flat rent immediately prior to conversion, the PHA should use the flat rent amount to calculate the phase-in amount for Year 1, as illustrated below.

Three Year Phase-in:

- **Year 1:** Any recertification (interim or annual) performed prior to the second annual recertification after conversion - 33% of difference between most recently paid Total Tenant Payments (TTP) or flat rent and the standard TTP.
- **Year 2:** Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR - 66% of difference between most recently paid TTP and the standard TTP.
- **Year 3:** Year 3 A R and all subsequent recertifications - Full standard TTP.

In either the three year phase-in or the five year phase-in, once standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

- 5. Public Housing Family Self-Sufficiency (PH FSS) and Resident Opportunities and Self Sufficiency (ROSS- SC) programs.** Current Public Housing residents that are FSS participants will continue to be eligible for FSS once their housing is converted under RAD. And PHAs will be allowed to use any remaining PH FSS funds, to serve those FSS participants who live in units converted by RAD. Due to the program merger between PH FSS and HCV FSS that took place pursuant to the FY14 Appropriations Act (and was continued in the FY15 Appropriations Act), no special provisions are required to continue serving FSS participants that live in public housing units converting to PBV under RAD.

However, PHAs should note that there are certain FSS requirements (e.g. escrow calculation and escrow forfeitures) that apply differently depending on whether the FSS participant is a participant under the HCV program or a public housing resident, and PHAs must follow such requirements accordingly. All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR Part 984, the participants' contracts of participation, and the alternative requirements established in the "Waivers and Alternative Requirements for the FSS Program" Federal Register notice, published on December 29, 2014, at 79 FR 78100. Further, upon conversion to PBV, already escrowed funds for FSS participants shall be transferred into the HCV escrow account and be considered TBRA funds, thus reverting to the HAP account if forfeited by the FSS participant.

Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future ROSS-SC grants, nor will its residents be eligible to be served by future ROSS-SC grants, which, by statute, can only serve public housing residents. **MHACY will ensure that all sites with ROSS**

grants, to include the grants funded to the Tenant Councils will follow the established HUD policies.

- 6. Resident Participation and Funding.** In accordance with Attachment 1B, residents of Covered Projects with converted PBV assistance will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding. **All twelve (12) MHACY Resident Councils and the Resident Advisory Board will continue to exist under the conversion to RAD.**
- 7. Resident Procedural Rights.** The following items must be incorporated into both the Section 8 Administrative Plan and the Project Owner's lease, which includes the required tenancy addendum, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program. **MHACY will comply with the regulation and submit the required information to HUD for monitoring purposes.**

Termination Notification. HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257 related to Project Owner termination of tenancy and eviction (which MTW agencies may not alter) the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:

- a. A reasonable period of time, but not to exceed 30 days:
 - If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - In the event of any drug-related or violent criminal activity or any felony conviction;
- b. 14 days in the case of nonpayment of rent; and
- c. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.

Grievance Process. Pursuant to requirements in the RAD Statute, HUD is establishing additional procedural rights to comply with section 6 of the Act.

For issues related to tenancy and termination of assistance, program rules require the Project Owner to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, to require that:

- a. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a) (1) (i)-(vi), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project Owner action in accordance with the individual's lease or the contract administrator in accordance with RAD. PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
 1. For any hearing required under 24 CFR § 982.555(a) (1) (i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR

982.555(e) (4) (i).

2. For any additional hearings required under RAD, the Project Owner will perform the hearing.
 - b. There is no right to an informal hearing for class grievances or to disputes between residents not involving the Project Owner or contract administrator.
 - c. The Project Owner gives residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
 - d. The Project Owner provides opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan. **MHACY will comply with the regulation and submit the required information to HUD for monitoring purposes.**

8. **Earned Income Disregard (EID).** Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the Housing Choice Voucher program, the EID exclusion is limited only to persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to disabled persons is waived. The waiver, and resulting alternative requirement, apply only to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion e.g., due to loss of employment; tenants that move into the property following conversion, etc.) is covered by this waiver. **MHACY will comply with the regulation.**

9. **Jobs Plus.** Jobs Plus grantees awarded FY14 and future funds that convert the Jobs Plus target projects(s) under RAD will be able to finish out their Jobs Plus period of performance at that site unless significant re-location and/or change in building occupancy is planned. If either is planned at the Jobs Plus target project(s), HUD may allow for a modification of the Jobs Plus work plan or may, at the Secretary's discretion, choose to end the Jobs Plus program at that project. **MHACY does not have a Jobs Plus Program.**

10. When Total Tenant Payment Exceeds Gross Rent. Under normal PBV rules, the PHA may only select an occupied unit to be included under the PBV HAP contract if the unit's occupants are eligible for housing assistance payments (24 CFR §983.53(d)). Also, a PHA must remove a unit from the contract when no assistance has been paid for 180 days because the family's TTP has risen to a level that is equal to or greater than the contract rent, plus any utility allowance, for the unit (i.e., the Gross Rent)) (24 CFR §983.258). Since the rent limitation under this Section of the Notice may often result in a family's TTP equaling or exceeding the gross rent for the unit, for current residents (i.e. residents living in the public housing property prior to conversion), HUD is waiving both of these provisions and requiring that the unit for such families be placed on and/or remain under the HAP contract when TTP equals or exceeds than the Gross Rent. Further, HUD is establishing the alternative requirement that the rent to owner for the unit equal the family's TTP until such time that the family is eligible for a housing assistance payment. HUD is waiving as necessary to implement this alternative provision, the provisions of Section 8(o)(13)(H) of the Act and the implementing regulations at 24 CFR 983.301 as modified by Section 1.6.B.5 of this Notice. In such cases, the resident is considered a participant under the program and all of the family obligations and protections under RAD and PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP contract. Assistance may subsequently be reinstated if the tenant becomes eligible for assistance. The PHA is required to process these individuals through the Form- 50058 submodule in PIC.

Following conversion, 24 CFR §983.53(d) applies, and any new families referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program, which means their TTP may not exceed the gross rent for the unit at that time. Further, a PHA must remove a unit from the contract when no assistance has been paid for 180 days. If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HUD is imposing an alternative requirement that the PHA must reinstate the unit after the family has vacated the property; and, if the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR §983.207 or, where "floating" units have been permitted, Section 1.6.B.10 of this Notice. **MHACY will comply with the regulation as applicable based on conversion to PBV.**

11. Under-Occupied Unit. If a family is in an under-occupied unit under 24 CFR 983.259 at the time of conversion, the family may remain in this unit until an appropriate-sized unit becomes available in the Covered Project. When an appropriate sized unit becomes available in the Covered Project, the family living in the under- occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by the administering Voucher Agency. In order to allow the family to remain in the under-occupied unit until an appropriate-sized unit becomes available in the Covered Project, 24 CFR 983.259 is waived. **MHACY will comply with the regulation as applicable based on conversion to PBV.**

C. PBV: Other Miscellaneous Provisions

1. **Access to Records, including Requests for Information Related to Evaluation of Demonstration.** PHAs must agree to any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work. **MHACY will comply with the regulation.**
2. **Additional Monitoring Requirement:** The PHA's Board must approve the operating budget for the Covered Project annually in accordance with HUD requirements. **MHACY will comply with the regulation.**
3. **Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** The Davis- Bacon Act (prevailing wages, the Contract Work Hours and Safety Standards Act, and other related regulations, rules, and requirements) and Section 3 (24 CFR Part 135) apply to all initial repairs that are identified in the Financing Plan to the extent that such repairs qualify as construction or rehabilitation. (The Davis-Bacon Act only applies for projects with nine or more units.) **MHACY will comply with the regulation.**
4. **Establishment of Waiting List.** 24 CFR § 983.251 sets out PBV program requirements related to establishing and maintaining a voucher-wide, PBV program-wide, or site-based waiting list from which residents for the Covered Project will be admitted. These provisions will apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies. The PHA shall consider the best means to transition applicants from the current public housing waiting list, including:
 - Transferring an existing site-based waiting list to a new site-based waiting list. If the PHA is transferring the assistance to another neighborhood, the PHA must notify applicants on the wait-list of the transfer of assistance, and on how they can apply for residency at the new project site or other sites. Applicants on a project-specific waiting list for a project where the assistance is being transferred shall have priority on the newly formed waiting list for the new project site in accordance with the date and time of their application to the original project's waiting list.
 - Informing applicants on the site-based waiting list on how to apply for a PBV program-wide or HCV program-wide waiting list.
 - Informing applicants on a public housing community-wide waiting list on how to apply for a voucher-wide, PBV program-wide, or site-based waiting list. If using a site-based waiting list, PHAs shall establish a waiting list in accordance with 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on the PHA's public housing community-wide waiting list have been offered placement on the converted project's initial waiting list. In all cases, PHAs have the discretion to determine the most appropriate means of informing applicants on the public housing community-wide waiting list given the number of applicants, PHA resources, and admissions requirements of the projects being converted under RAD. A PHA may consider

contacting every applicant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area; informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Applicants on the agency's public housing community-wide waiting list who wish to be placed onto the newly-established site-based waiting list must be done so in accordance with the date and time of their original application to the centralized public housing waiting list. Any activities to contact applicants on the public housing waiting list must be conducted in accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and with the obligation to provide meaningful access for persons with limited English proficiency (LEP).

A PHA must maintain any site-based waiting list in accordance with all applicable civil rights and fair housing laws and regulations unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies.

To implement this provision, HUD is specifying alternative requirements for 24 CFR § 983.251(c) (2). However, after the initial waiting list has been established, the PHA shall administer its waiting list for the converted project in accordance with 24 CFR § 983.251(c).

MHACY will utilize the existing project-specific waiting list.

- **Waiting List Preferences:** As of the date of the Annual Plan submission (April 2019), for the project-specific waiting list MHACY has established preferences (other than date of application), in order of priority, as follows:
 - 1A. Involuntary Displacement by Government Action:
 - 1B. Involuntary Displacement due to Natural Disaster.
 - 1C. Involuntary Displacement/Physical/Domestic Violence-Resident of Yonkers.
 - 2A. Working Family and Elderly/Disabled-Resident of Yonkers.
 - 2B. Working Family and Elderly/Disabled-Non-Resident of Yonkers.
 - 3A. Non-Working Family - Resident of Yonkers.
 - 3B. Non-Working Family - Not a Resident of Yonkers.
 - 4A. Near Elderly Family-Resident of Yonkers.
 - 4B. Near Elderly Family-Not a Resident of Yonkers.

Applicants will be selected from the waiting list based on the highest number of preference points and based on the date their application was received by MHACY. Preferences are cumulative. For applications with no preference indicated the applicants will be placed on the waiting list by date received by MHACY. Applications equal in date received will be ranked by MHACY's current computer software program.

5. **Mandatory Insurance Coverage.** The project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed property of a project, except with the written approval of HUD to the contrary. **MHACY will comply with the regulation.**
6. **Agreement Waiver.** For public housing conversions to PBV, there will be no Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Therefore, all regulatory

references to the Agreement (AHAP), including regulations under 24 CFR Part 983 Subpart D. are waived.

7. **Future Refinancing.** Project Owners must receive HUD approval for any refinancing or restructuring of permanent debt during the HAP contract term, to ensure the financing is consistent with long-term preservation. (Current lenders and investors are also likely to require review and approval of refinancing of the primary permanent debt.) **MHACY will comply with the regulation.**

8. **Administrative Fees for Public Housing Conversions during Transition Period.** For the remainder of the Calendar Year in which the HAP Contract is effective (i.e. "transition period"), RAD PBV projects will be funded with public housing funds. For example, if the project's assistance converts effective July 1, 2015, the public housing Annual Contributions Contract (ACC) between the PHA and HUD will be amended to reflect the number of units under HAP contract, but will be for zero dollars, and the RAD PBV contract will be funded with public housing money for July through December 2015. Since TBRA is not the source of funds, PHAs should not report leasing and expenses into VMS during this period, and PHAs will not receive section 8 administrative fee funding for converted units during this time.

For fiscal years 2014 and 2015, PHAs operating HCV program received administrative fees for units under a HAP contract, consistent with recent appropriation act references to "section 8(q) of the [United States Housing Act of 1937] and related appropriations act provisions in effect immediately before the Quality Housing and Responsibility Act of 1998" and 24 CFR § 982.152(b). During the transition period mentioned in the preceding paragraph, these provisions are waived, and PHAs will not receive section 8 ongoing administrative fees for PBV RAD units. After this transition period, the section 8 ACC will be amended to include section 8 funding that corresponds to the units covered by the section 8 ACC. At that time, the regular section 8 administrative fee funding provisions will apply. **MHACY will comply with the regulation.**

9. **Choice-Mobility.** One of the key features of the PBV program is the mobility component, which provides that if the family has elected to terminate the assisted lease at any time after the first year of occupancy in accordance with program requirements, the PHA must offer the family the opportunity for continued tenant- based rental assistance, in the form of either assistance under the voucher program or other comparable tenant-based rental assistance.

If as a result of participation in RAD a significant percentage of the PHA's HCV program becomes PBV assistance, it is possible for most or all of a PHA's turnover vouchers to be used to assist those RAD PBV families who wish to exercise mobility. While HUD is committed to ensuring mobility remains a cornerstone of RAD policy, HUD recognizes that it remains important for the PHA to still be able to use tenant- based vouchers to address the specific housing needs and priorities of the community. Therefore, HUD is establishing an alternative requirement for PHAs where, as a result of RAD, the total number of PBV units (including RAD PBV units) under HAP contract administered by the PHA exceeds 20 percent of the PHA's authorized units under its HCV ACC with HUD.

The alternative mobility policy provides that an eligible voucher agency would not be

required to provide more than three-quarters of its turnover vouchers in any single year to the residents of Covered Projects. While a voucher agency is not required to establish a voucher inventory turnover cap, if such a cap is implemented, the voucher agency must create and maintain a waiting list in the order in which the requests from eligible households were received. In order to adopt this provision, this alternative mobility policy must be included in an eligible PHA's administrative plan.

To effectuate this provision, HUD is providing an alternative requirement to Section 8(o) (13) (E) and 24 CFR part 983.261(c). Please note that this alternative requirement does not apply to PBVs entered into outside of the context of RAD. MTW agencies may not alter this requirement. **MHACY will comply with the regulation.**

10. Reserve for Replacement. The Project Owner shall establish and maintain a replacement reserve in an interest-bearing account to aid in funding extraordinary maintenance and repair and replacement of capital items in accordance with applicable regulations. The reserve must be built up to and maintained at a level determined by HUD to be sufficient to meet projected requirements. For FHA transactions, Replacement Reserves shall be maintained in accordance with the FHA Regulatory Agreement. For all other transactions, Replacement Reserves shall be maintained in a bank account covered under a General Depository Agreement (HUD- 51999) or similar instrument, as approved by HUD, where funds will be held by the Project Owner or mortgagee and may be drawn from the reserve account and used subject to HUD guidelines and as directed by HUD. **MHACY will comply with the regulation.**

11. Site Selection and Neighborhood Standards Review: This review is not applicable to the MHACY selected developments targeted for RAD conversion.

12. Relocation Plans: MHACY has not developed the final Relocation Plans. The Plans will be developed as applicable and submitted with the Financing Plan.

13. Resident Advisory Board: The Resident Advisory Board which is comprised of representatives from each of the twelve (12) MHACY Tenant Councils is excited and looking forward to all of the changes that will occur based on the RAD conversion. Meetings have been held at every MHACY affected site and the Tenant Councils representing those sites have been included in every component of the process. All of the Tenant Councils and the RAB will be continuously updated on the progress of the RAD conversion as required.

14. Impact on Current Five-Year Plan: The MHACY's RAD conversion narrative was previously addressed included in the Authority's Five Year (2015-2019) Plan. As this submission was included with the MHACY FY2016, FY 2017, FY2018 Annual Plans and is also included in the FY2019 Annual Plan and it does not constitute a Significant Amendment.

15. Resident Notification: Prior to submitting an application to participate in the Demonstration, HUD requires a PHA to:

- Notify residents of projects proposed for conversion and legitimate resident organizations of the PHA's intent to pursue a conversion. **The letters were sent to**

all Tenants. The letter was also sent (Bilingual) as a direct mailing to ensure all MHACY residents received the applicable notification.

- Conduct at least two meetings with residents of projects proposed for conversion to discuss conversion plans and provide opportunity for comment. **Meetings were held with the Resident Advisory Board and at the applicable sites.**
- Prepare comprehensive written responses to comments received in connection with the required resident meetings on the proposed conversion to be submitted with the RAD Application. **MHACY will comply with the regulation.**
- Once a PHA is selected to participate in the Demonstration, it must have at least one more meeting with residents before HUD will execute a HAP contract. In addition, a PHA must have an additional meeting with residents if there is a substantial change to the conversion plans. A substantial change includes, but is not limited to:
 1. Transfer of assistance or ownership;
 2. Change in the number of assisted units; or
 3. A substantial change in the scope of work.
- Upon issuance of the RAD Conversion Commitment (see Section 1.12 of this Notice), the PHA must notify each affected household that conversion of the project has been approved, and inform households of the specific rehabilitation or construction plans and any impact the conversion may have on them. Households in the affected project(s) who do not want to transition to a new program may be offered, if available, the opportunity to move to other public housing

**Certifications of Compliance with
PHA Plans and Related Regulations
(Standard, Troubled, HCV-Only, and
High Performer PHAs)**

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 02/29/2016

**PHA Certifications of Compliance with the PHA Plan and Related Regulations including
Required Civil Rights Certifications**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the ___ 5-Year and/or X Annual PHA Plan for the PHA fiscal year beginning FY 2019, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
6. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those programs, addressing those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.
7. For PHA Plans that includes a policy for site based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2010-25);
 - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
 - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
 - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing;
 - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
12. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).

13. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
14. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
15. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
16. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
17. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
18. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
19. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

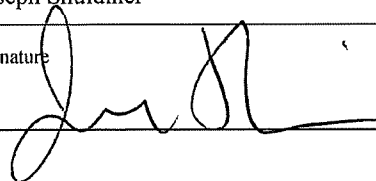
**PHA Name: The Municipal Housing Authority
for the City of Yonkers**

PHA Number/HA: NY003

X Annual PHA Plan for Fiscal Year 2019

_____ 5-Year PHA Plan for Fiscal Years 20____ - 20_____

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of Authorized Official Joseph Shuldiner	Title Executive Director
Signature 	Date 4-10-2019

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED JUNE 30, 2018

**WITH
REPORT OF INDEPENDENT AUDITORS**

**MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
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YEAR ENDED JUNE 30, 2018**

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NOVOGRADAC
& COMPANY LLP®

CERTIFIED PUBLIC ACCOUNTANTS

REPORT OF INDEPENDENT AUDITORS

To the Board of Directors of the
Municipal Housing Authority for the City of Yonkers:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities (primary government) and the aggregate discretely presented component units of the Municipal Housing Authority for the City of Yonkers (the "Authority") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

1433 Hooper Avenue, Suite 329, Toms River, New Jersey 08753
www.novoco.com | 732.503.4257

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the primary government and the aggregate discretely presented component units of the Authority, as of June 30, 2018, and the changes in their net position and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change of Accounting Principle

As discussed in Note 15 to the financial statements, during the year ended June 30, 2018, the Authority adopted GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension Plans*. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the basic financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards and financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2019 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Novogradac & Company LLP

March 29, 2019
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

**MUNICIPAL HOUSING AUTHORITY OF THE CITY OF YONKERS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position for the fiscal year ended June 30, 2018. Please read it in conjunction with the Authority's financial statements.

Overview of the Financial Statements

The Authority's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Authority's accounting records are structured as an enterprise fund with revenues recognized when earned, rather than when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and depreciated over their estimated useful lives. The accounting for enterprise funds is similar to the accounting used by businesses. See the note to the financial statements for a summary of the Authority's significant accounting policies.

Following the MD&A are the basic financial statements of the Authority together with notes, which are essential to a full understanding of the data contained in the financial statements. The Authority's basic financial statements are designed to provide readers with a broad overview of the Authority's finances.

The **Statement of Net Position** presents information similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources of the Authority. The statement is presented in the format where assets, minus liabilities, equal net position. Assets and liabilities are presented in order of liquidity, and are classified as current and non-current.

Net position is reported in three broad categories:

Net Investment in Capital Assets: This component consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component consists of assets that are constrained by limitations placed on their use by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: This component consists of net position that is not restricted and does not meet the definition of Net Investment in Capital Assets.

The **Statement of Revenues, Expenses, and Changes in Net Position** presents information showing how the Authority's net position changed during the year. This statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, maintenance, and depreciation, and non-operating revenue and expenses, such as grant revenue, investment income, interest expense, and gains or losses from the sale or disposition of capital assets. The focus of the statement is the change in net position, which is similar to net income or loss for a business entity.

The **Statement of Cash Flows** reports net cash provided by or used by operating activities, non-capital financing activities, capital and related financing activities and investing activities.

**MUNICIPAL HOUSING AUTHORITY OF THE CITY OF YONKERS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

The **Notes to Financial Statements** provide additional information that is essential to a full understanding of the information included in the financial statements.

In addition to the basic financial statements and accompanying notes, this report includes two types of supplementary information: required supplementary information and other supplementary information. Required supplementary information must be included to conform with generally accepted accounting principles. Management's discussion and analysis, schedule of the authority's proportionate share of the net pension liability, and schedule of the authority's contributions to New York State and Local Retirement System are required supplementary information.

Other supplementary information is not required by generally accepted accounting principles but is presented for additional analysis purposes or to meet other requirements. The financial data schedule is required by the U.S. Department of Housing and Urban Development (HUD). The schedule of expenditures of federal awards is required by the U.S. Office of Management and Budget and of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for federal Awards* (Uniform Guidance).

Program Information

Low Income Public Housing: The public housing program is designed to provide low-cost housing within the City of Yonkers. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with rental income received from tenants, are available solely to meet the operating expenses of the program.

Public Housing Capital Fund: The purpose of the Public Housing Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Section 8 Housing Choice Vouchers: The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating family. The objective of the program is to assist in making tenant-based rental assistance more successful by helping increase housing choices for low-income families and assisting them in obtaining affordable housing.

Resident Opportunity and Self-Sufficiency Program (ROSS): The purpose of ROSS is to assist residents in becoming economically self-sufficient by providing supportive services and resident empowerment opportunities. This program is consistent with HUD's goal to most effectively focus resources on "welfare to work" and on independent living for the elderly and persons with disabilities who are looking for applications which implement practical solutions within the grant term that result in improved economic self-sufficiency for public housing residents.

**MUNICIPAL HOUSING AUTHORITY OF THE CITY OF YONKERS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

Business Activities: The Business Activities Fund is utilized as part of the RAD program. RAD was created in order to give public housing authorities ("PHA") a powerful tool to preserve and improve public housing properties. RAD allows PHA's to leverage public and private debt and equity in order to reinvest in public housing stock. Public housing units move to a Section 8 platform with a long-term contract under which residents continue to pay 30% of their income towards rent. The Business Activities Fund holds the mortgage notes from the Authority's discretely presented component units and also provides management services to other PHA's and affiliate entities.

Continuum of Care: The Continuum of Care Program is designed to promote community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly re-house homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

Central Office Cost Center: The Central Office Cost Center ("COCC") is mandated by HUD to account for "centralized" services and functions necessary to the Authority's operations. Funding for the COCC is in the form of fees charged to other Authority programs and activities as well as to affiliate entities. The fees charged include those specified by HUD as management fees, bookkeeping fees, asset management fees and other fees for service. HUD regulates which and how fees may be charged to HUD programs.

Discrete Component Units: Discrete Component Units include three partnerships that that were formed in conjunction with the RAD conversions. These entities are Seven Townhomes, LP and Yonkers Senior Apartments, LLC and are reported at December 31, 2017 to correlate with these entities' fiscal year in a separate column of the financial statements.

**MUNICIPAL HOUSING AUTHORITY OF THE CITY OF YONKERS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

Financial Position and Analysis

Table 1 compares the Authority's financial position for the fiscal years ended June 30, 2018 and 2017:

Table 1: Entity-Wide Balance Sheet Comparison

	The Authority		Discrete Component Units		Increase (Decrease)	Percent Variance
	2018	2017	2018	2017		
Assets						
Cash & cash equivalents	\$ 7,632,602	\$ 4,008,304	\$ 75,913	\$ -	\$ 3,700,211	92.31%
Other Current Assets	2,510,164	1,397,101	234,895	-	1,347,958	96.48%
Noncurrent Assets	71,074,824	75,542,764	64,273,758	-	59,805,818	79.17%
Total Assets	81,217,590	80,948,169	64,584,566	-	64,853,987	80.12%
Deferred Outflows of Resources	897,458	1,554,355	-	-	(656,897)	100.00%
Liabilities						
Current Liabilities	3,000,497	5,596,828	298,945	-	(2,297,386)	-41.05%
Noncurrent Liabilities	51,179,395	21,750,124	61,048,366	-	90,477,637	415.99%
Total Liabilities	54,179,892	27,346,952	61,347,311	-	88,180,251	322.45%
Deferred Inflows of Resources	14,018,539	509,582	-	-	13,508,957	100.00%
Net Position						
Net Investment in Capital Assets	14,708,344	35,853,859	10,333,703	-	(10,811,812)	-30.16%
Restricted Net Position	1,362,894	1,559,166	1,292,689	-	1,096,417	70.32%
Unrestricted Net Position	(2,154,621)	17,232,965	(8,389,137)	-	(27,776,723)	-161.18%
Total Net Position	\$ 13,916,617	\$ 54,645,990	\$ 3,237,255	\$ -	\$ (37,492,118)	-68.61%

Cash & Cash Equivalents increased by \$3,700,211 or 92.31% primarily due to collection of developer fees and proceeds from sales on units in conjunction with RAD along with reimbursements of predevelopment costs.

Other Current Assets increased by \$1,347,958 or 96.48%. This increase is due to increases in predevelopment costs to be reimbursed with future RAD sales and Housing Choice Voucher portability charges due.

Noncurrent Assets increased by \$59,805,818 or 79.17%. This increase is due to notes receivable received and related accrued interest in conjunction with sale of properties in RAD conversion.

Noncurrent Liabilities increased by \$90,477,637 or 415.99%. This increase is primarily due to new loans entered into by the discrete component units and increased liability balances for Other Post-Employment Benefits due to the changes in reporting requirements with GASB 75.

Deferred Inflows increased by \$13,508,957 or 100%. This increase is primarily due to deferred inflows recorded for ground lease revenues to be recognized over the course of the lease.

**MUNICIPAL HOUSING AUTHORITY OF THE CITY OF YONKERS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

Table 2 focuses on the changes in Net Position:

	The Authority		Discrete Component Units		Increase (Decrease)	Percent Variance
	2018	2017	2018	2017		
Operating Revenue & Expense						
Operating Revenue	\$ 54,237,373	\$ 57,754,315	\$ 182,119	\$ -	\$ (3,334,823)	-5.77%
Operating Expenses	55,935,717	61,650,345	132,996	-	(5,581,632)	-9.05%
Total Operating Income (Loss)	(1,698,344)	(3,896,030)	49,123	-	2,246,809	-57.67%
Non-Operating Revenues & Expenses, Net	(1,632,650)	(13,931,909)	3,188,132	-	15,487,391	-111.16%
Income (Loss) in Net Position	(3,330,994)	(17,827,939)	3,237,255	-	17,734,200	-99.47%
Prior Period Adjustment	(37,398,379)	-	-	-	(37,398,379)	100.00%
Net Position, Beginning of year	54,645,990	72,473,929	-	-	(17,827,939)	-24.60%
Net Position, End of year	\$ 13,916,617	\$ 54,645,990	\$ 3,237,255	\$ -	\$ (37,492,118)	-68.61%

Table 3 presents a summary of the Authority's revenue by source:

	The Authority		Discrete Component Units		Increase (Decrease)	Percent Variance
	2018	2017	2018	2017		
Operating Revenue						
Tenant Revenue	\$ 7,116,267	\$ 9,760,673	\$ 141,987	\$ -	\$ (2,502,419)	-25.64%
Government Operating Grants	44,390,384	46,080,769	23,020	-	(1,667,365)	-3.62%
Other Income	2,730,722	1,912,873	17,112	-	834,961	43.65%
Total Operating Income	54,237,373	57,754,315	182,119	-	(3,334,823)	-5.77%
Non-Operating Revenues						
Public Housing Capital Fund	484,587	309,153	-	-	175,434	56.75%
Interest Income	1,404,260	166,968	459	-	1,237,751	741.31%
Special items	(2,545,891)	-	3,187,673	-	641,782	100.00%
Loss on sale of fixed assets	(975,606)	50,159	-	-	(1,025,765)	-2045.03%
Total Non-Operating Revenues	(1,632,650)	526,280	3,188,132	-	1,029,202	195.56%
Total Revenue (Loss)	\$ 52,604,723	\$ 58,280,595	\$ 3,370,251	\$ -	\$ (2,305,621)	-3.96%

Special Items increased by \$641,782 or 100%. This was due to the creation of limited partnerships to purchase units as part of RAD conversion and investors providing contributions in exchange for tax credits.

Tenant Revenue decreased by \$2,502,419 or 25.64% and **Loss on sale of fixed assets** increased by \$1,025,765 or 2,045.03% due to the Authority selling the majority of their public housing portfolio as part of the RAD conversion.

**MUNICIPAL HOUSING AUTHORITY OF THE CITY OF YONKERS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

Table 4 presents a summary of the Authority's operating expenses:

Table 4: Entity-Wide Expense Comparison

	The Authority		Discrete Component Units		Increase (Decrease)	Percent Variance
	2018	2017	2018	2017		
Administrative	\$ 8,070,156	\$ 9,568,383	\$ 25,497	\$ -	(1,472,730)	-15.39%
Tenant Services	442,847	498,341	100	-	(55,394)	-11.12%
Utilities	2,836,788	3,324,036	26,855	-	(460,393)	-13.85%
Maintenance	5,104,152	8,076,776	56,976	-	(2,915,648)	-36.10%
Protective Services	1,114,050	2,273,695	-	-	(1,159,645)	-51.00%
Insurance	799,726	712,833	3,063	-	89,956	12.62%
General Expense	1,237,156	1,572,878	20,505	-	(315,217)	-20.04%
Depreciation Expense	1,485,344	4,040,077	-	-	(2,554,733)	-63.23%
Housing Assistance Payments	34,845,498	31,583,326	-	-	3,262,172	10.33%
Total Operating Expenses	\$ 55,935,717	\$ 61,650,345	\$ 132,996	\$ -	\$ (5,581,632)	-9.05%

Administrative Expenses decreased by \$1,472,730 or 15.39% primarily due to reduced executive costs as the portfolio reduced as part of the RAD conversion.

Housing Assistance Payment increased by \$3,262,172 or 15.39% primarily due to increased leasing in the 2018 portion of the fiscal year from RAD conversions along with higher costs of rental assistance needed.

The following expenses decreased due to reduction in unit count as the portfolio reduced as part of the RAD conversion:

- **Utilities Expenses** decreased by \$460,393 or 13.85%
- **Maintenance** decreased by \$2,915,648 or 36.10%
- **Protective Services** decreased by \$1,159,645 or 51.00%
- **Depreciation Expense** decreased by \$2,554,733 or 63.23%

Budgetary Analysis

For the year ended June 30, 2018, individual program or grant budgets were prepared by the Authority and were approved by the Board of Commissioners. The budgets were primarily used as a management tool and have no legal stature. The budgets were prepared in accordance with the accounting procedures prescribed by the applicable funding agency.

**MUNICIPAL HOUSING AUTHORITY OF THE CITY OF YONKERS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

Capital Assets

Table 5 summarizes the Authority's investment in capital assets.

Table 5: Summary of Entity-Wide Capital Asset Activity

	The Authority		Discrete Component Units		Increase (Decrease)	Percent Variance
	2018	2017	2018	2017		
Land	\$ 9,305,927	\$ 9,305,927	\$ 6,800,000	\$ -	\$ 6,800,000	73.07%
Buildings and Equipment	31,058,009	100,686,994	56,181,069	-	(13,447,916)	-13.36%
	40,363,936	109,992,921	62,981,069	-	(6,647,916)	-6.04%
Less: accumulated depreciation	(22,090,120)	(61,935,691)	-	-	39,845,571	-64.33%
Capital Assets, Net	\$ 18,273,816	\$ 48,057,230	\$ 62,981,069	\$ -	\$ 33,197,655	69.08%

Acquisitions are capitalized at cost and depreciated using the straight-line method of depreciation. Additional information and details can be found in the Notes to the Financial Statements.

Capital funding available for 2018 is as follows:

Table 6: Summary of Capital Fund Grants

	Grant	Total Budget	Expended through 6/30/2018	Budget Remaining at 6/30/2018
Capital Fund Program 2013	501-13	\$ 3,012,070	\$ 3,012,070	\$ -
Capital Fund Program 2014	501-14	\$ 3,149,402	\$ 3,149,402	\$ -
Capital Fund Program 2015	501-15	\$ 3,815,698	\$ 3,705,339	\$ 110,359
Capital Fund Program 2016	501-16	\$ 3,878,404	\$ 3,127,774	\$ 750,630
Capital Fund Program 2017	501-17	\$ 3,923,851	\$ 1,479,317	\$ 2,444,534
Capital Fund Program 2018	501-18	\$ 5,492,684	\$ 889,383	\$ 4,603,301
				<u>\$ 7,908,824</u>

Analysis of Debt Activity

The Authority had a line of credit with Sterling National Bank in the amount of \$1,600,000. During year ending June 30, 2018, the line of credit was paid off as part of the conversion to the RAD Program in December 2017.

Line of Credit:

Balance as of June 30, 2017	\$ 1,297,181
Current Year Debt Paid	(1,297,181)
Balance as of June 30, 2018	<u>\$ -</u>

**MUNICIPAL HOUSING AUTHORITY OF THE CITY OF YONKERS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

The Authority's long-term debt during the fiscal year 2018 consisted of an Energy Performance Contract (EPC) loan with Capital One originally in the amount of \$2,456,423. The balance of this loan was paid off entirely with proceeds from RAD conversion sales during the fiscal year.

Capital One EPC:

Balance as of June 30, 2017	\$ 1,966,883
Current Year Debt Paid	<u>(1,966,883)</u>
Balance as of June 30, 2018	<u>\$ -</u>

The Authority's long-term debt during the fiscal year 2018 consisted of an Energy Performance Contract loan with Bank of America originally in the amount of \$13,247,819. The balance of this loan reduced substantially as principal payments were made with proceeds from RAD conversion sales during the fiscal year.

Bank of America EPC:

Balance as of June 30, 2017	\$ 10,236,488
Current Year Debt Paid	<u>(6,671,016)</u>
Balance as of June 30, 2018	<u>\$ 3,565,472</u>

The Authority's Discretely Presented Component Units acquired debt from the Authority and outside lenders in conjunction with purchases of property in the RAD conversions.

Discrete Component Units:

Balance as of June 30, 2017	\$ -
Current Year Advances	<u>52,648,366</u>
Balance as of June 30, 2018	<u>\$ 52,648,366</u>

**MUNICIPAL HOUSING AUTHORITY OF THE CITY OF YONKERS
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2018
(CONTINUED)**

Significant Economic Factors Affecting the Authority

- The Department of Housing and Urban Development (HUD) has historically been underfunded to meet the subsidy needs of Public Housing Authorities (PHAs). We do not expect this trend to change. Recently reduced Administrative Fee prorations in the Housing Choice Voucher Program have a large impact on the Authority due to the large number of units funded through that program.
- The Authority is planning to convert the remainder of the Public Housing program to Project Based Vouchers through future RAD conversions. This will change the portfolio of the Authority even further which will impact its reporting requirements, funding composition, staffing needs, and overall services provided in the community.
- Rising cost of utility rates, supplies, and other costs may impact our budgets in future years.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for those interested. If you should have additional questions regarding the financial information, you can contact our offices by writing to the following address:

Municipal Housing Authority of the City of Yonkers
ATTN: Carlos G. Laboy-Diaz
1511 Central Park Avenue
Yonkers, NY 10710

FINANCIAL STATEMENTS

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2018

	ASSETS			Total Reporting Entity (Memorandum Only)
	Primary Government	Discretely Presented Component Units		Total Reporting Entity (Memorandum Only)
Current assets:				
Cash and cash equivalents	\$ 7,632,602	\$ 75,913	\$	7,708,515
Tenant security deposits	226,751	175,115		401,866
Accounts receivable, net	2,092,228	59,780		2,152,008
Prepaid expenses	171,545	-		171,545
Inventories, net	19,640	-		19,640
Total current assets	10,142,766	310,808		10,453,574
Non-current assets:				
Restricted cash	1,392,898	1,292,689		2,685,587
Notes receivable, non-current	47,521,811	-		47,521,811
Accrued interest	3,453,013	-		3,453,013
Other assets	433,286	-		433,286
Capital assets, net	18,273,816	62,981,069		81,254,885
Total non-current assets	71,074,824	64,273,758		135,348,582
Total assets	81,217,590	64,584,566		145,802,156
DEFERRED OUTFLOWS OF RESOURCES				
New York State Local Employees Retirement System	897,458	-		897,458
Total assets and deferred outflows of resources	\$ 82,115,048	\$ 64,584,566		\$ 146,699,614

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
STATEMENT OF NET POSITION (continued)
AS OF JUNE 30, 2018

LIABILITIES			
	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Current liabilities:			
Accounts payable	\$ 1,999,252	\$ 64,730	\$ 2,063,982
Accrued expenses	225,044	40,437	265,481
Tenant security deposits	226,751	175,115	401,866
Prepaid rent	11,844	4,643	16,487
Accrued compensated absences, current	74,785	-	74,785
Note payable, current	307,924	-	307,924
Accrued interest payable	6,613	-	6,613
Other current liabilities	<u>148,284</u>	<u>14,020</u>	<u>162,304</u>
Total current liabilities	<u>3,000,497</u>	<u>298,945</u>	<u>3,299,442</u>
Non-current liabilities:			
Accrued compensated absences, non-current	673,060	-	673,060
Accrued pension liability	834,526	-	834,526
Accrued OPEB liability	46,414,261	-	46,414,261
Note payable, non-current	3,257,548	52,648,366	55,905,914
Deferred developer fees	<u>-</u>	<u>8,400,000</u>	<u>8,400,000</u>
Total non-current liabilities	<u>51,179,395</u>	<u>61,048,366</u>	<u>112,227,761</u>
Total liabilities	<u>54,179,892</u>	<u>61,347,311</u>	<u>115,527,203</u>
DEFERRED INFLOWS OF RESOURCES			
Ground lease deferred revenue	12,437,568	-	12,437,568
New York State Local Employees Retirement System	<u>1,580,971</u>	<u>-</u>	<u>1,580,971</u>
Total deferred inflows of resources	<u>14,018,539</u>	<u>-</u>	<u>14,018,539</u>
NET POSITION			
Net position:			
Net investment in capital assets	14,708,344	10,333,703	25,042,047
Restricted	1,362,894	1,292,689	2,655,583
Unrestricted (deficit)	<u>(2,154,621)</u>	<u>(8,389,137)</u>	<u>(10,543,758)</u>
Total net position	<u>13,916,617</u>	<u>3,237,255</u>	<u>17,153,872</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 82,115,048</u>	<u>\$ 64,584,566</u>	<u>\$ 146,699,614</u>

See accompanying notes to financial statements

**MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Operating revenues:			
Tenant revenue	\$ 7,116,267	\$ 141,987	\$ 7,258,254
HUD operating grants	44,390,384	23,020	44,413,404
Other revenues	<u>2,730,722</u>	<u>17,112</u>	<u>2,747,834</u>
Total operating revenues	<u>54,237,373</u>	<u>182,119</u>	<u>54,419,492</u>
Operating expenses:			
Administrative	8,070,156	25,497	8,095,653
Tenant services	442,847	100	442,947
Utilities	2,836,788	26,855	2,863,643
Ordinary repairs and maintenance	5,104,152	56,976	5,161,128
Protective services	1,114,050	-	1,114,050
Insurance	799,726	3,063	802,789
General expenses	1,237,156	20,505	1,257,661
Housing assistance payments	34,845,498	-	34,845,498
Depreciation	<u>1,485,344</u>	<u>-</u>	<u>1,485,344</u>
Total operating expenses	<u>55,935,717</u>	<u>132,996</u>	<u>56,068,713</u>
Operating (loss) income	<u>(1,698,344)</u>	<u>49,123</u>	<u>(1,649,221)</u>
Non-operating revenues (expenses):			
Investment income	34,702	-	34,702
Mortgage interest income	1,749,116	459	1,749,575
Interest expense	(379,558)	-	(379,558)
Net loss on sale of fixed assets	<u>(975,606)</u>	<u>-</u>	<u>(975,606)</u>
Net non-operating revenues	<u>428,654</u>	<u>459</u>	<u>429,113</u>
Loss (income) before capital grants and special items	(1,269,690)	49,582	(1,220,108)
Capital grants	484,587	-	484,587
Special items	(2,545,891)	3,187,673	641,782
Change in net position	(3,330,994)	3,237,255	(93,739)
Total net position, beginning of year	<u>54,645,990</u>	<u>-</u>	<u>54,645,990</u>
Change in accounting principle - adoption of GASB 75	<u>(37,398,379)</u>	<u>-</u>	<u>(37,398,379)</u>
Net position, beginning of year (as restated)	<u>17,247,611</u>	<u>-</u>	<u>17,247,611</u>
Total net position, end of year	<u>\$ 13,916,617</u>	<u>\$ 3,237,255</u>	<u>\$ 17,153,872</u>

See accompanying notes to financial statements

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Cash Flows from Operating Activities:			
Cash received from tenants and others	\$ 8,769,477	\$ 279,077	\$ 9,048,554
Cash received from grantors	44,475,224	40,710	44,515,934
Cash paid to employees	(8,111,150)	14,940	(8,096,210)
Cash paid to vendors and suppliers	<u>(46,570,376)</u>	<u>(46,439)</u>	<u>(46,616,815)</u>
Net cash (used in) provided by operating activities	<u>(1,436,825)</u>	<u>288,288</u>	<u>(1,148,537)</u>
Cash Flows from Capital and Related Financing Activities:			
Proceeds from issuance of notes	-	52,648,366	52,648,366
Principal payments of notes	(9,935,082)	-	(9,935,082)
Interest paid on long term debt	(395,769)	-	(395,769)
Proceeds from capital grants	484,587	-	484,587
Purchase of capital assets	(318,373)	(62,981,069)	(63,299,442)
Proceeds from sale of capital assets	13,572,602	-	13,572,602
Proceeds received from developer fees	-	8,400,000	8,400,000
Proceeds from capital contributions	<u>-</u>	<u>3,187,673</u>	<u>3,187,673</u>
Net cash provided by capital and related financing activities	<u>3,407,965</u>	<u>1,254,970</u>	<u>4,662,935</u>
Cash Flows from Investing Activities:			
Issuance of notes receivable	(166,215)	-	(166,215)
Interest received	<u>1,110,156</u>	<u>459</u>	<u>1,110,615</u>
Net cash provided by investing activities	<u>943,941</u>	<u>459</u>	<u>944,400</u>
Net increase in cash and cash equivalents	2,915,081	1,543,717	4,458,798
Cash and cash equivalents, beginning of year	<u>6,337,170</u>	<u>-</u>	<u>6,337,170</u>
Cash and cash equivalents, end of year	<u>\$ 9,252,251</u>	<u>\$ 1,543,717</u>	<u>\$ 10,795,968</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position is as follows:			
Cash and cash equivalents	\$ 7,632,602	\$ 75,913	\$ 7,708,515
Tenant security deposits	226,751	175,115	401,866
Restricted cash	<u>1,392,898</u>	<u>1,292,689</u>	<u>2,685,587</u>
	<u>\$ 9,252,251</u>	<u>\$ 1,543,717</u>	<u>\$ 10,795,968</u>

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED JUNE 30, 2018

	Primary Government	Discretely Presented Component Units	Total Reporting Entity (Memorandum Only)
Reconciliation of operating (loss) income to net cash (used in) provided by operating activities:			
Operating (loss) income	\$ (1,698,344)	\$ 49,123	\$ (1,649,221)
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:			
Depreciation	1,485,344	-	1,485,344
Changes in operating assets, deferred outflows of resources, liabilities, and deferred inflows of resources:			
Accounts receivable, net	(907,670)	(59,780)	(967,450)
Prepaid expenses	101,435	-	101,435
Inventory, net	1,517	-	1,517
Other assets	1,018,043	-	1,018,043
Deferred outflows of resources	656,897	-	656,897
Accounts payable	(1,000,813)	64,730	(936,083)
Accrued expenses	(40,994)	40,437	(557)
Tenant security deposits liability	(512,975)	175,115	(337,860)
Prepaid rent	(356,898)	4,643	(352,255)
Accrued compensated absences	(144,657)	-	(144,657)
Other liabilities	(100,883)	14,020	(86,863)
Accrued pension liability	(7,472,808)	-	(7,472,808)
Accrued OPEB liability	6,464,592	-	6,464,592
Deferred inflows of resources	<u>1,071,389</u>	<u>-</u>	<u>1,071,389</u>
Net cash (used in) provided by operating activities	<u>\$ (1,436,825)</u>	<u>\$ 288,288</u>	<u>\$ (1,148,537)</u>

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
AS OF JUNE 30, 2018

ASSETS			
	Seven <u>Townhomes, L.P.</u>	Yonkers Senior <u>Apartments, LLC</u>	Total Discretely Presented <u>Component Units</u>
Current assets:			
Cash and cash equivalents	\$ 75,913	\$ -	\$ 75,913
Tenant security deposits	88,590	86,525	175,115
Accounts receivable, net	<u>4,863</u>	<u>54,917</u>	<u>59,780</u>
Total current assets	<u>169,366</u>	<u>141,442</u>	<u>310,808</u>
Non-current assets:			
Restricted cash	1,013,689	279,000	1,292,689
Capital assets, net	<u>21,500,651</u>	<u>41,480,418</u>	<u>62,981,069</u>
Total non-current assets	<u>22,514,340</u>	<u>41,759,418</u>	<u>64,273,758</u>
Total assets	<u>22,683,706</u>	<u>41,900,860</u>	<u>64,584,566</u>
LIABILITIES			
Current liabilities:			
Accounts payable	64,122	608	64,730
Accrued expenses	30,895	9,542	40,437
Tenant security deposits	88,590	86,525	175,115
Prepaid rent	2,677	1,966	4,643
Other current liabilities	<u>825</u>	<u>13,195</u>	<u>14,020</u>
Total current liabilities	<u>187,109</u>	<u>111,836</u>	<u>298,945</u>
Non-current liabilities:			
Note payable	20,727,228	31,921,138	52,648,366
Deferred developer fees	<u>-</u>	<u>8,400,000</u>	<u>8,400,000</u>
Total non-current liabilities	<u>20,727,228</u>	<u>40,321,138</u>	<u>61,048,366</u>
Total liabilities	<u>20,914,337</u>	<u>40,432,974</u>	<u>61,347,311</u>
NET POSITION			
Net position:			
Net investment in capital assets	773,423	9,560,280	10,333,703
Restricted	1,013,689	279,000	1,292,689
Unrestricted (deficit)	<u>(17,743)</u>	<u>(8,371,394)</u>	<u>(8,389,137)</u>
Total net position	<u>\$ 1,769,369</u>	<u>\$ 1,467,886</u>	<u>\$ 3,237,255</u>

**MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN NET POSITION -
 DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 2018**

	Seven Townhomes, L.P.	Yonkers Senior Apartments, LLC	Total Discretely Presented Component Units
Operating revenues:			
Tenant revenue	\$ 125,417	\$ 16,570	\$ 141,987
HUD operating grants	1,401	21,619	23,020
Other revenues	<u>1,210</u>	<u>15,902</u>	<u>17,112</u>
Total operating revenues	<u>128,028</u>	<u>54,091</u>	<u>182,119</u>
Operating expenses:			
Administrative	20,612	4,885	25,497
Tenant services	100	-	100
Utilities	16,448	10,407	26,855
Ordinary repairs and maintenance	48,940	8,036	56,976
Insurance	2,759	304	3,063
General expenses	<u>19,652</u>	<u>853</u>	<u>20,505</u>
Total operating expenses	<u>108,511</u>	<u>24,485</u>	<u>132,996</u>
Operating income	<u>19,517</u>	<u>29,606</u>	<u>49,123</u>
Non-operating revenues:			
Interest income	<u>459</u>	<u>-</u>	<u>459</u>
Income before special items	19,976	29,606	49,582
Special items - capital contributions	<u>1,749,393</u>	<u>1,438,280</u>	<u>3,187,673</u>
Change in net position	1,769,369	1,467,886	3,237,255
Total net position, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Total net position, end of year	<u>\$ 1,769,369</u>	<u>\$ 1,467,886</u>	<u>\$ 3,237,255</u>

See accompanying notes to financial statements

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Municipal Housing Authority for the City of Yonkers (the "Authority") is a governmental, public organization created under federal and state housing laws for the purpose of engaging in the development, acquisition and administrative activities of the low-income housing program and other programs with similar objectives for low and moderate income families residing in the City of Yonkers, NY (the "City"). The Authority is responsible for operating certain low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

The Authority is governed by a board of commissioners which is essentially autonomous, but is responsible to HUD. An executive director is appointed by the Authority's board of commissioners to manage the day-to-day operations of the Authority.

B. Basis of Accounting / Financial Statement Presentation

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting / Financial Statement Presentation (continued)

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions* ("GASB 33"), grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule as unrestricted.

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to \$500 on these funds may be retained by the Authority. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

The Authority adopted GASB 68, *Accounting and Financial Reporting for Pensions* ("GASB 68"). GASB 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenditures associated with pension plans of State and Local Governments. For defined benefit pensions, GASB 68 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actual present value, and attribute that present value to periods of employee service. In addition, GASB 68 details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions.

The Authority adopted GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension Plans* ("GASB 75"). GASB 75 established new accounting and financial reporting requirements for governments whose employees are provided with other postemployment benefits ("OPEB"), as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. For defined benefit OPEB, GASB 75 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actual present value, and attribute that present value to periods of employee service. In addition, GASB 75 details the recognition and disclosure requirements for employers with liabilities to a defined benefit OPEB plan and for employers whose employees are provided with a defined contribution OPEB.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statement No. 14 and No. 34*, the Authority's basic financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based on the application of the above criteria, this report includes all programs and activities operated by the Authority, including the following discretely presented component units:

Seven Townhomes, L.P.

Seven Townhomes, L.P. ("Seven Townhomes") was formed as a limited partnership on November 1, 2017, under the Uniform Limited Partnership Act of the State of New York. The purpose of Seven Townhomes is to acquire, own, develop, construct and/or rehabilitate, finance, lease, manage, and operate a group of seven (7) apartment complexes consisting of two hundred four (204) units contained in forty-one (41) buildings for rental to persons of low to moderate income located in Yonkers, New York.

On November 21, 2017, Seven Townhomes acquired the aforementioned assets from the Authority as part of the Authority's Rental Assistance Demonstration ("RAD") program conversion.

Yonkers Senior Apartments, LLC

Yonkers Senior Apartments, LLC ("Yonkers Senior") was formed as a New York limited liability company on December 27, 2017, under the Uniform Act of the State of New York. The purpose of Yonkers Senior is to acquire, own, develop, construct and/or rehabilitate, finance, lease, manage, and operate a scattered-site apartment complex consisting of two hundred and seventy nine (279) units contained in nine (9) buildings for rental to persons of low to moderate income located in Yonkers, New York.

On December 27, 2017, Yonkers Seniors acquired the aforementioned assets from the Authority as part of the Authority's Rental Assistance Demonstration ("RAD") program conversion.

The discretely presented component units are reported in a separate column to emphasize that they are legally separate from the primary government. For financial reporting purposes, the Authority's reporting entity includes all financial activities that are controlled or dependent upon the actions taken by the Authority's Board.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Public and Indian Housing Program

The Public and Indian Housing Program is designed to provide low-cost housing within the City. Under this program, HUD provides funding via an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating expenses of the program. During the year ended June 30, 2018, the Authority converted some of its Public and Indian Housing units to project based vouchers through HUD's Rental Assistance Demonstration Program.

Section 8 Housing Choice Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income households under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rental on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating household.

Public Housing Capital Fund Program

The purpose of the Public Housing Capital Fund Program is to provide another source of funding to cover the cost of physical and management improvements and rehabilitation on existing low-income housing and improving the central office facilities. Funding for this program is provided by grants from HUD.

Resident Opportunity and Supportive Services ("ROSS")

The purpose of the ROSS Service Coordinator program is to provide funding to hire and maintain Service Coordinators who will assess the needs of residents of conventional Public Housing or Indian housing and coordinate available resources in the community to meet those needs. This program works to promote the development of local strategies to coordinate the use of assistance under the Public Housing program with public and private resources, for supportive services and resident empowerment activities.

Continuum of Care

The Continuum of Care Program is designed to promote community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly re-house homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs (continued)

Business Activities

The Business Activities Fund is utilized as part of the RAD program. RAD was created in order to give public housing authorities ("PHA") a powerful tool to preserve and improve public housing properties. RAD allows PHA's to leverage public and private debt and equity in order to reinvest in public housing stock. Public housing units move to a Section 8 platform with a long-term contract under which residents continue to pay 30% of their income towards rent. The Business Activities Fund holds the mortgage notes from the Authority's discretely presented component units and also provides management services to other PHA's and affiliate entities.

Central Office Cost Center

The Central Office Cost Center ("COCC") is mandated by HUD to account for "centralized" services and functions necessary to the Authority's operations. Funding for the COCC is in the form of fees charged to other Authority programs and activities as well as to affiliate entities. The fees charged include those specified by HUD as management fees, bookkeeping fees, asset management fees and other fees for service. HUD regulates which and how fees may be charged to HUD programs.

E. Use of Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment, and contingencies. Actual results could differ significantly from these estimates.

F. Cash and Cash Equivalents

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase. It is the Authority's policy to maintain collateralization in accordance with state and HUD requirements.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Accounts Receivable, Net

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated tenants. An allowance for doubtful accounts is established to provide for accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation.

The Authority recognizes a receivable from HUD and other governmental agencies for amounts earned and billed but not received and for amounts unbilled, but earned as of year end.

H. Allowance for Doubtful Accounts

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

I. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

J. Notes Receivable

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of numerous public housing developments through the issuance of mortgage notes. When preparing financial statements in accordance with generally accepted accounting principles, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property; the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

K. Inventories, Net

Inventory consists of miscellaneous supplies and appliances and are valued at cost using the first in first out method. If inventory falls below cost due to damage, deterioration, or obsolescence, the Authority writes down inventory to its net realizable value through the establishment of an allowance for obsolete inventory. As of June 30, 2018, the allowance for obsolete inventory totaled \$3,466.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. Investment in Leased Property

As part of its development activities, the Authority routinely enters into ground lease agreements. Under terms of the agreements, the Authority leases land it owns to the lessee and the lessee owns the improvements built on the land. Typically, the lease terms are ninety nine (99) years and the lease agreements (land only) are recorded as operating leases and accounted for as follows:

Rent will be reported as income over the lease term as it becomes receivable according to the provisions of the lease. However, if the rentals vary from the straight-line basis, the Authority will recognize the income on a straight-line basis unless another systematic and rational basis is more representative of the time pattern in which the benefit from the leased property is diminished, in which case that basis will be used.

If at the inception of the lease, the fair value of the property is less than its cost or carrying amount, then a loss equal to that difference will be recognized at the inception of the lease.

M. Capital Assets

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of fixed assets, the cost and related accumulated depreciation is eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position.

Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- | | |
|---------------------------------------|---------------|
| • Buildings and Improvements | 15 - 40 Years |
| • Furniture, Equipment, and Machinery | 3 - 7 Years |

The Authority has established a capitalization threshold of \$5,000.

N. Impairment of Long Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. During the year ended June 30, 2018 there were no impairments losses incurred.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Inter-program Receivables and Payables

Inter-program receivables and payables are all classified as either current assets or current liabilities, and are the result of the use of a concentrated account depository as the common paymaster for most of the programs of the Authority. Cash settlements are made monthly. All inter-program balances are reconciled, and inter-program receivables and payables balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes. Detail balances by program are found in the Financial Data Schedule of this report.

P. Accounts Payable and Accrued Liabilities

The Authority recognizes a liability for goods and services received but not paid for as of year-end. It also recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

Q. Prepaid Rent

The Authority's prepaid rent primarily consists of the prepayment of rent by residents applicable to future periods.

R. Accrued Compensated Absences

Compensated absences are those absences for which employees will be paid in accordance with the Authority's Personnel Policy. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such event take place.

S. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until that time.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New York State and Local Employees' Retirement System (ERS) and additions to/deductions from ERS's fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

U. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded when received and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

V. Fair Value

The carrying amount of the Authority's financial instruments including cash and cash equivalents, accounts receivable and notes receivable closely approximates their fair value.

W. Equity Classifications

Equity is classified as net position and displayed in three components:

Net investment in capital assets - Consists of resources including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

X. Taxes

The Authority is a unit of local government under the State of New York law and is exempt from real estate, sales and income taxes by both the federal and state governments. However, the Authority will pay a payment in lieu of taxes to cover municipal services provided by the local government for certain properties owned throughout the City.

Y. Budgets and Budgetary Accounting

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards, which are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

NOTE 2. CASH AND CASH EQUIVALENTS

As of June 30, 2018, the Authority had funds on deposit in checking, savings, and money market accounts. The carrying amount of the Authority's cash and cash equivalents (including restricted cash) was \$10,795,968, and the bank balances approximated \$10,947,995.

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity</u>
Unrestricted	\$ 7,632,602	\$ 75,913	\$ 7,708,515
Tenant security deposits	226,751	175,115	401,866
Restricted	<u>1,392,898</u>	<u>1,292,689</u>	<u>2,685,587</u>
Total cash and cash equivalents	<u>\$ 9,252,251</u>	<u>\$ 1,543,717</u>	<u>\$ 10,795,968</u>

Of the bank balances, \$737,635 was covered by federal depository insurance and the remaining \$10,210,360 was collateralized with the pledging financial institutions as of June 30, 2018.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Authority does not have a formal policy for custodial credit risk. As of June 30, 2018, the Authority's bank balances were not exposed to custodial credit risk.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following as of June 30, 2018:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity</u>
Accounts receivable - HUD	\$ 980,642	\$ -	\$ 980,642
Accounts receivable - tenants, net	76,425	22,586	99,011
Accounts receivable - other government	316,431	-	316,431
Accounts receivable - fraud recovery, net	101,402	-	101,402
Accounts receivable - miscellaneous	<u>617,328</u>	<u>37,194</u>	<u>654,522</u>
Total accounts receivable, net	<u>\$ 2,092,228</u>	<u>\$ 59,780</u>	<u>\$ 2,152,008</u>

Accounts Receivable - HUD

As of June 30, 2018, accounts receivable - HUD consisted of amounts due to the Authority for amounts expended under the Public Housing Capital Fund Program that have not been reimbursed. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. The balance is shown net of an allowance for doubtful accounts of \$89,614.

Accounts Receivable - Other Government

Accounts receivable - other government represents amounts owed to the PHA by other federal agencies and state and local governments. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Fraud Recovery, Net

Accounts receivable - fraud recovery, net represents amounts owed from tenants or other program participants who committed fraud or mis-representation and now owe additional rent or retroactive rent. The amount is shown net of an allowance for doubtful accounts of \$38,344.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed to the Authority for services provided to the discretely presented component units for items such as management fees, construction costs, and relocation costs. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 4. RESTRICTED DEPOSITS

As of June 30, 2018, restricted deposits consisted of the following:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity</u>
Housing assistance payment reserve	\$ 1,362,894	\$ -	\$ 1,362,894
Family Self Sufficiency program escrows	30,004	-	30,004
Repairs and replacement reserve escrows	-	483,243	483,243
Development reserve	-	772,186	772,186
Insurance, real estate, and utility escrows	-	37,260	37,260
Tenant security deposits	<u>226,751</u>	<u>175,115</u>	<u>401,866</u>
Total restricted deposits	<u>\$ 1,619,649</u>	<u>\$ 1,467,804</u>	<u>\$ 3,087,453</u>

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers Program for future housing assistance payments.

Family Self Sufficiency ("FSS") program escrows are restricted for use in the Public and Indian Housing Program by FSS program participants.

Repairs and replacement reserve escrows are restricted for repairs and replacement of the buildings and equipment of Seven Townhomes and Yonkers Seniors.

Development reserves are restricted for costs related to the development of Seven Townhomes.

Insurance, real estate tax, and utility escrows are restricted for payments of insurance, real estate taxes, and utility for Seven Townhomes and Yonkers Seniors.

Tenant security deposits represent amounts held by the Authority on behalf of tenants. Upon termination from the program, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

NOTE 5. NOTES RECEIVABLE

Outstanding notes receivable of the primary government as of June 30, 2018 consisted of the following:

On December 27, 2017 the Authority entered into an loan agreement with CPG Phase III, L.P. in the amount of \$750,000. The loan accrues interest at 6.0% per annum. Principal and interest are payable only out of "Net Cash Flow" as defined in the agreement and matures on December 27, 2057, at which time the outstanding balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage. As of June 30, 2018, the Authority has advanced \$166,215.

\$ 166,215

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 5. NOTES RECEIVABLE (continued)

On June 27, 2013 the Authority entered into a loan agreement with PS 6, L.P. in the amount of \$4,140,000. The loan accrues interest at 2.0% per annum. Principal and interest are payable only out of "Available Cash Flow" as defined in the agreement and matures on June 27, 2047, at which time the outstanding balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage. Accrued interest on the loan totaled \$326,921 as of June 30, 2018. 4,140,000

The Authority is a partner in a home ownership program with HUD and several local area banks. The Authority will fund mortgage loans with funds it draws down from a credit line with the Federal Home Loan Bank. These loans are non-interest bearing, secured by the underlying property and are payable over a thirty year period. In the event of a loan default, the Authority will be responsible for the remaining mortgage balance and any unpaid taxes. As of June 30, 2018, the Authority has five outstanding mortgages totaling \$365,647. 365,647

On November 21, 2017 the Authority issued a sellers note in the amount of \$15,059,172 to Seven Townhomes, L.P. The loan is non-recourse and accrues interest at 3.0% per annum, compounding annually. Principal and interest are payable only out of "Available Cash Flow" as defined in the partnership agreement and matures on November 21, 2047, at which time the outstanding balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage. Accrued interest on the loan totaled \$263,536 as of June 30, 2018. The note is shown net of a deferred gain from the sale in the amount of \$12,433,669. 2,625,503

On December 27, 2017 the Authority issued a sellers note in the amount of \$22,436,375 to Yonkers Senior Apartments, LLC. The loan is non-recourse and accrues interest at 2.64% per annum, compounding annually. Principal and interest are payable only out of "Available Cash Flow" as defined in the partnership agreement and matures on December 27, 2047, at which time the outstanding balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage. Accrued interest on the loan totaled \$296,160 as of June 30, 2018. The note is shown net of a deferred gain from the sale in the amount of \$16,907,248. 5,529,127

On March 6, 2018 the Authority issued a sellers note in the amount of \$46,218,305 to Yonkers Preservation, LLC. The loan is non-recourse and accrues interest at 6.0% per annum, compounding annually. Principal and interest are payable only out of "Available Cash Flow" as defined in the partnership agreement and matures on March 6, 2053, at which time the outstanding balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage. Accrued interest on the loan totaled \$893,554 as of June 30, 2018. The note is shown net of a deferred gain from the sale in the amount of \$34,358,817. 11,859,488

On March 7, 2007 the Authority entered into an loan agreement with Croton Heights, L.P. in the amount of \$6,720,831. The loan accrues interest at 2.0% per annum. Principal and interest are payable only out of "Net Cash Flow" as defined in the agreement and matures on March 7, 2060, at which time the outstanding balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage. Accrued interest on the loan totaled \$1,377,438 as of June 30, 2018. 6,720,831

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 5. NOTES RECEIVABLE (continued)

On December 10, 2009 the Authority entered into an loan agreement with Mulford I, L.P. in the amount of \$4,000,000. The loan is non-interest bearing. Principal and interest are payable only out of "Net Cash Flow" as defined in the agreement and matures on December 31, 2052, at which time the outstanding balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage.	4,000,000
On December 10, 2009 the Authority entered into an loan agreement with Mulford I, L.P. in the amount of \$8,000,000. The loan is non-interest bearing. Principal and interest are payable only out of "Net Cash Flow" as defined in the agreement and matures on December 31, 2052, at which time the outstanding balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage.	8,000,000
On May 8, 2014 the Authority entered into an loan agreement with Grant Park II, L.P. in the amount of \$3,365,000. The loan accrues interest at 1.0% per annum. Principal and interest are payable only out of "Net Cash Flow" as defined in the agreement and matures on May 8, 2057, at which time the outstanding balance of principal and interest shall be due and payable in full. The loan is secured by a mortgage. Accrued interest on the loan totaled \$131,515 as of June 30, 2018.	3,365,000
On October 16, 2014, the Authority entered into an loan agreement with 188 Warburton, L.P. in the amount of \$750,000. The loan accrues interest at 6.0% per annum. The loan matures on October 16, 2055, at which time the entire balance of principal and interest shall be due and payable. Accrued interest on the loan totaled \$163,889 as of June 30, 2018.	<u>750,000</u>
Total notes receivable	<u>\$ 47,521,811</u>

As of June 30, 2018, accrued interest on the aforementioned notes receivable amounted to \$3,453,013, for which the Authority has established an allowance in the full amount.

NOTE 6. CAPITAL ASSETS, NET

The following is a summary of the primary government's changes in capital assets during the year June 30, 2018:

Description	June 30, 2017	Additions	Dispositions	Transfers	June 30, 2018
<u>Non-depreciable:</u>					
Land	\$ 9,305,927	\$ -	\$ -	-	\$ 9,305,927
Construction in progress	<u>287,112</u>	<u>318,373</u>	-	<u>(341,806)</u>	<u>263,679</u>
Total	<u>9,593,039</u>	<u>318,373</u>	-	<u>(341,806)</u>	<u>9,569,606</u>
<u>Depreciable:</u>					
Buildings and improvements	95,031,761	-	(67,102,057)	341,806	28,271,510
Furniture and equipment	<u>5,368,121</u>	-	<u>(2,845,301)</u>	-	<u>2,522,820</u>
Total	<u>100,399,882</u>	-	<u>(69,947,358)</u>	<u>341,806</u>	<u>30,794,330</u>
Less: accumulated depreciation	<u>61,935,691</u>	<u>1,485,344</u>	<u>(41,330,915)</u>	-	<u>22,090,120</u>
Net capital assets	<u>\$ 48,057,230</u>	<u>\$ (1,166,971)</u>	<u>\$ (28,616,443)</u>	-	<u>\$ 18,273,816</u>

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 6. CAPITAL ASSETS, NET (continued)

The following is a summary of the discretely presented component unit's changes in capital assets during the year June 30, 2018:

Description	June 30, 2017	Additions	Dispositions	Transfers	June 30, 2018
<u>Non-depreciable:</u>					
Land	\$ -	\$ 6,800,000	\$ -	-	\$ 6,800,000
Construction in progress	-	-	-	-	-
Total	-	<u>6,800,000</u>	-	-	<u>6,800,000</u>
<u>Depreciable:</u>					
Buildings and improvements	-	56,181,069	-	-	56,181,069
Furniture and equipment	-	-	-	-	-
Total	-	<u>56,181,069</u>	-	-	<u>56,181,069</u>
Less: accumulated depreciation	-	-	-	-	-
Net capital assets	<u>\$ -</u>	<u>\$ 62,981,069</u>	<u>\$ -</u>	<u>-</u>	<u>\$ 62,981,069</u>

NOTE 7. ACCOUNTS PAYABLE

As of June 30, 2018, accounts payable consisted of the following:

Description	Primary Government	Discretely Presented Component Units	Total Reporting Entity
Accounts payable - vendors	\$ 596,909	\$ 47,040	\$ 643,949
Accounts payable - HUD	779,166	-	779,166
Accounts payable - other governments	<u>623,177</u>	<u>17,690</u>	<u>640,867</u>
Total accounts payable	<u>\$ 1,999,252</u>	<u>\$ 64,730</u>	<u>\$ 2,063,982</u>

Accounts Payable - Vendors

Accounts payable - vendors represents the amounts payable to contractors and vendors for materials received or services rendered.

Accounts Payable - HUD

As of June 30, 2018, accounts payable - HUD consisted of amounts payable to the Department of Housing and Urban Development for overpayment of operating expenses in the Public and Indian Housing Program .

Accounts Payable - Other Governments

Accounts payable - other governments represents amounts due and payable to the City for payments in lieu of taxes and monies owed to other housing authorities for ported housing assistance payments.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 8. PAYMENTS IN LIEU OF TAXES

Under Federal, State and Local law, the Authority's programs are exempt from income, property and excise taxes. However, the Authority is required to make a payment in lieu of taxes ("PILOT") for the PHA Owned Program in accordance with the provisions of its Cooperation Agreement with the City. Under the Cooperation Agreement, the Authority must pay the City the lesser of 10% of its net shelter rent or the approximate full real property taxes. During the fiscal year ended June 30, 2018, PILOT expense for the Authority's primary government amounted to \$357,371. During the fiscal year ended June 30, 2018, PILOT expense for the Authority's discretely presented component units amounted to \$17,690.

NOTE 9. NON-CURRENT LIABILITIES

Non-current liabilities of the primary government as of June 30, 2018 consisted of the following:

<u>Primary Government</u>	June 30, 2017	Additions	Payments	June 30, 2018	Amounts due within one Year
Compensated absences	\$ 892,502	\$ 96,479	\$ (241,136)	\$ 747,845	\$ 74,785
Accrued pension liability	2,634,470	-	(1,799,944)	834,526	-
Accrued OPEB liability	5,672,864	40,741,397	-	46,414,261	-
Loans payable	<u>13,500,554</u>	<u>-</u>	<u>(9,935,082)</u>	<u>3,565,472</u>	<u>307,924</u>
Total long-term liabilities	<u>\$ 22,700,390</u>	<u>\$40,837,876</u>	<u>\$11,976,162)</u>	<u>\$ 51,562,104</u>	<u>\$ 382,709</u>

Non-current liabilities of the discretely presented component units as of June 30, 2018 consisted of the following:

<u>Discretely Presented Component Units</u>	June 30, 2017	Additions	Payments	June 30, 2018	Amounts due within one Year
Loans payable	\$ -	\$52,648,366	\$ -	\$ 52,648,366	\$ -
Deferred developer fees	<u>-</u>	<u>8,400,000</u>	<u>-</u>	<u>8,400,000</u>	<u>-</u>
Total long-term liabilities	<u>\$ -</u>	<u>\$61,048,366</u>	<u>\$ -</u>	<u>\$ 61,048,366</u>	<u>\$ -</u>

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 10. LONG TERM DEBT

Primary Government

During 2010, the Authority as part of an Energy Performance Contract, entered into an equipment lease purchase agreement. The project was divided into two phases, Phase I payable to Capital One Bank and Phase II payable to Bank of America in the amounts of \$2,456,423 and \$13,247,819, respectively. Phase I accrued interest at 4.89% over a period of seventeen years with required monthly payments beginning on July 15, 2011. Phase II accrues interest at 4.41% over a period of sixteen years with required monthly payments beginning on February 15, 2016. Phase I was paid off as part of the conversion to the RAD Program in December 2017. Phase II was partially paid off as part of the conversion to the RAD Program in December 2017. The outstanding loan balance of Phase II amounted to \$3,565,472 as of June 30, 2018.

The Authority had a line of credit with Sterling National Bank in the amount of \$1,600,000. During year ending June 30, 2018, the line of credit was paid off as part of the conversion to the RAD Program in December 2017.

Annual debt service for principal and interest over the next five years and in five-year increments thereafter are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 307,924	\$ 151,189	\$ 459,113
2020	335,767	137,049	472,816
2021	365,280	121,646	486,926
2022	396,551	104,907	501,458
2023	429,663	86,750	516,413
2024-2027	<u>1,730,287</u>	<u>133,838</u>	<u>1,864,125</u>
	<u>\$ 3,565,472</u>	<u>\$ 735,379</u>	<u>\$ 4,300,851</u>

Interest expense for the year ended June 30, 2018 totaled \$379,558.

Discretely Presented Component Units

A summary of the Authority's discretely presented component units long-term debt is as follows:

<u>Loans payable to the Authority as evidenced by a Note Receivable (see Note 5):</u>	<u>Amount</u>
Seven Townhomes Acquisition Note	\$ 15,059,172
Yonkers Senior Apartments Acquisition Note	<u>22,436,375</u>
Total primary government loans to discretely presented component units	37,495,547

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 10. LONG TERM DEBT (continued)

<u>Loans payable to other lenders:</u>	<u>Amount</u>
<p>On November 21, 2017, Seven Townhomes, L.P. entered into a secured first mortgage agreement with the New York State Housing Finance Agency in the amount of \$28,125,000. The short term portion of \$20,425,000 accrues interest at 2.3% per annum and is due in monthly payments of principal and interest. The short term portion matures on November 1, 2020, at which time the outstanding balance of principal and interest shall be due and payable in full. The long term portion of \$7,700,000 accrues interest at 4.5% per annum and is due in monthly payments of principal and interest. The long term portion matures on June 1, 2049, at which time the outstanding balance of principal and interest shall be due and payable in full. As of December 31, 2017, the Authority has drawdown \$5,959,767.</p>	5,959,767
<p>On November 21, 2017, Seven Townhomes, L.P. entered into a secured first mortgage agreement with the New York State Housing Finance Agency in the amount of \$11,500,000. The loan accrues interest at 6.0% per annum and matures on June 1, 2049, at which time the outstanding balance of principal and interest shall be due and payable in full. As of December 31, 2017, the Authority has drawdown \$749,764.</p>	749,764
<p>On December 27, 2017, Yonkers Senior Apartments, LLC entered into a secured first mortgage agreement with the New York State Housing Finance Agency in the amount of \$39,500,000. The short term portion of \$31,800,000 accrues interest at 2.3% per annum and is due in monthly payments of principal and interest. The short term portion matures on November 1, 2020, at which time the outstanding balance of principal and interest shall be due and payable in full. The long term portion of \$7,700,000 accrues interest at 4.5% per annum and is due in monthly payments of principal and interest. The long term portion matures on October 1, 2049, at which time the outstanding balance of principal and interest shall be due and payable in full. As of December 31, 2017, the Authority has drawdown \$8,381,211.</p>	8,381,211
<p>On December 27, 2017, Yonkers Senior Apartments, LLC entered into a secured first mortgage agreement with the New York State Housing Finance Agency in the amount of \$18,550,000. The loan accrues interest at 6.0% per annum and matures on October 1, 2049, at which time the outstanding balance of principal and interest shall be due and payable in full. As of December 31, 2017, the Authority has drawdown \$2,612,862.</p>	<u>2,612,862</u>
<p>Total long-term debt to other lenders</p>	<u>17,703,604</u>
<p>Total long-term debt</p>	55,199,151
<p>Less: unamortized debt issuance costs</p>	<u>2,550,785</u>
<p>Total long-term debt, net of current portion</p>	<u>\$ 52,648,366</u>

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 10. LONG TERM DEBT (continued)

Annual debt service for principal and interest over the next five years and in five-year increments thereafter are as follows:

Year	Principal	Interest	Total
2019	\$ -	\$ -	\$ -
2020	1,050,991	1,752,776	2,803,767
2021	1,208,395	1,717,722	2,926,117
2022	1,244,114	1,681,473	2,925,587
2023	1,281,045	1,643,987	2,925,032
2024-2028	7,004,777	7,611,131	14,615,908
2029-2033	8,137,183	6,460,498	14,597,681
2034-2038	9,479,453	5,096,411	14,575,864
2039-2043	11,072,271	3,473,031	14,545,302
2044-2048	12,956,790	1,552,928	14,509,718
2049	<u>1,764,132</u>	<u>573,248</u>	<u>2,337,380</u>
	<u>\$ 55,199,151</u>	<u>\$ 31,563,205</u>	<u>\$ 86,762,356</u>

Interest expense for the year ended June 30, 2018 totaled \$0.

NOTE 11. RESTRICTED NET POSITION

Restricted net position consists of the following as of June 30, 2018:

Description	Primary Government	Discretely Presented Component Units	Total Reporting Entity
Housing assistance payments reserves	\$ 1,362,894	\$ -	\$ 1,362,894
Repairs and replacement reserve escrows	-	483,243	483,243
Development reserves	-	772,186	772,186
Insurance, real estate, and utility escrows	<u>-</u>	<u>37,260</u>	<u>37,260</u>
Total restricted net position	<u>\$ 1,362,894</u>	<u>\$ 1,292,689</u>	<u>\$ 2,655,583</u>

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers Program for future housing assistance payments.

Reserves for replacement and rehabilitation escrows are restricted for use within their respective project for the replacement and rehabilitation of property and equipment.

Development reserves are restricted for costs related to the development of Seven Townhomes.

Insurance, real estate tax, and utility escrows are restricted for payments of insurance, real estate taxes, and utility for Seven Townhomes and Yonkers Seniors.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 12. GROUND LEASES

The Authority entered into multiple ground leases in furtherance of their redevelopment objectives and conversion to the RAD Program. In accordance with generally accepted accounting principles the leases which have up-front lump sum payments and original expiration dates of ninety-nine (99) years are classified as operating leases.

The leases are summarized as follows:

<u>Development</u>	<u>Settlement Date</u>	<u>Lease Term</u>	<u>Expiration Date</u>	<u>Ground Lease</u>
Seven Townhomes	November 15, 2017	99 Years	November 15, 2116	\$ 1,500,000
Yonkers Senior Apartments	December 31, 2017	99 Years	December 31, 2116	5,675,000
Yonkers Preservation	March 6, 2018	99 Years	March 6, 2117	<u>5,300,000</u>
Total				<u>\$ 12,475,000</u>

Rent is reported as income over the lease term as it becomes receivable according to the provisions of the lease. However, if the rentals vary from the straight-line basis, the Authority recognizes the income on a straight-line basis unless another systematic and rational basis is more representative of the time pattern in which use benefit from the leased property is diminished, in which case that basis will be used.

During the year ended June 30, 2018, the Authority recognized \$37,432 in ground lease revenue. As of June 30, 2018, the Authority has \$12,437,568 of ground lease revenue that is deferred and is included in the deferred inflows of resources on the Statement of Net Position.

NOTE 13. PENSION PLAN

A. Plan Description

The New York State and Local Employees' Retirement System ("ERS") is a cost-sharing, multiple-employer defined benefit pension plan administered by the Office of the New York State Comptroller. The net position of the ERS is held in the New York State Common Retirement Fund, which was established to hold all assets and record changes in fiduciary net position allocated to the ERS. The ERS is included in the State's financial report as a pension trust fund. For additional information about ERS, please refer to the separately issued financial statements on the Comptroller's website, which can be found at https://www.osc.state.ny.us/retire/about_us/financial_statements_index.php.

B. Benefits

The benefits are established under the provisions of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Authority also participates in the Public Employees' Group Life Insurance Plan, which provides death benefits in the form of life insurance.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 13. PENSION PLAN (continued)

B. Benefits (continued)

Members who joined prior to January 1, 2010 need five years of service to be 100% vested. Members who joined on or after January 1, 2010 require ten years of service credit to be 100% vested. The following represents the membership tiers for ERS:

1. Those person who last became members before July 1, 1973
2. Those persons who last became members on or after July 1, 1973, but before July 27, 1976
3. Those persons who last became members on or after July 27, 1976, but before September 1, 1983
4. Those persons who last became members on or after September 1, 1983, but before January 1, 2010
5. Those persons who became members on or after January 1, 2010, but before April 1, 2012
6. Those persons who became members on or after April 1, 2012

Retirement benefits of 1.67% of final average salary for each year of service credit are available to tier 1 upon reaching age 55 and to tiers 2, 3, 4, and 5 members upon reaching the age of 62 with less than 20 years of service. If a tier 1 or 2 member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service. If a tier 3, 4, or 5 member retires with between 20 and 30 years of service, the benefit is 2% of final average salary for each year of service. If a tier 3, 4, or 5 member retires with more than 30 years of service, an additional benefit of 1.5% of final average salary is applied for year of service over 30 years. Retirement benefits of 1.67% of final average salary for each year of service credit are available to tier 6 members upon reaching age 63 with less than 20 years of service. If a tier 6 member retires with 20 or more years of service, the benefit is 2% of final average salary for each year of service over 20 years.

Early retirement benefits are available to tiers 2, 3, 4, and 5 before reaching age 62 and to tier 6 before age 63. Tier 2, 3, and 4 members must have 5 years of service and be at least age 55 to be eligible to receive reduced benefits. Tier 5 and 6 member must have 10 years of service and be at least age 55 to be eligible to receive reduced benefits. Tier 2, 3, and 4 members with over 30 years of service can receive full early retirement benefits in accordance with their respective tier.

Disability retirement benefits are available to ERS members unable to perform their job duties because of permanent or mental incapacity. There are three general types of disability benefits: ordinary, performance of duty, and accidental disability benefits. Eligibility, benefit amounts, and other rules such as any offsets or other benefits depend on a members tier, years of service, and plan.

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first \$50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three time the member's annual salary. For most members, there is also a reduced post-retirement ordinary benefit available.

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefits for five years; and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 13. PENSION PLAN (continued)

B. Benefits (continued)

An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria

C. Contributions

The contribution policy for ERS is set by RSSL and requires contributions by active members and contributing employers. The employers contribution is an actuarially determined rate adopted annually by the Comptroller. The average contribution rate for ERS for the fiscal year ended March 31, 2018 was approximately 15.3% of payroll. Delinquent annual bills for employer contributions accrue interest at the actuarial interest rate of 7%, applicable for fiscal year ended March 31, 2018.

Generally, Tier 3, 4, and 5 members must contribute 3% of their salary to the ERS. As a result of Article 19 of the RSSL, eligible tier 3 and 4 employees, with a membership date on or after July 27, 1976, who have 10 or more years of membership or credited service with the ERS, are not required to contribute. Members cannot be required to begin making contributions or make increased contributions beyond what was required when membership began. For tier 6 members, the contribution rate varies from 3% to 6% depending on salary. General tier 5 and 6 members are required to contribute for all years of service.

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2018, the Authority reported a liability of \$834,526, for its proportionate share of the net pension liability. The net pension liability for March 31, 2018 was determined by an actuarial valuation as April 1, 2017, with updated procedures used to roll forward the total pension liability to March 31, 2018.

At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 553,360	\$ -
Differences between expected and actual experience	297,648	245,965
Net differences between projected and actual investment earnings on pension plan investments	-	1,180,447
Changes in proportion and differences between employer contributions and proportionate share onf contributions	<u>46,450</u>	<u>154,559</u>
Total	<u>\$ 897,458</u>	<u>\$ 1,580,971</u>

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 13. PENSION PLAN (continued)

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending June 30:	<u>Amount</u>
2019	\$ 212,239
2020	158,879
2021	(721,073)
2022	<u>(333,558)</u>
	<u>\$ (683,513)</u>

E. Actuarial Assumptions

The total pension liability at June 30, 2018 was determined by using a actuarial valuation as of April 1, 2017, with updated procedures used to roll forward the total pension liability to the measurement date. This actuarial valuation used the following assumptions:

Inflation rate	2.5%
Salary increases:	3.8%
Investment rate of return	7.0%
Cost-of-living adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 through March 31, 2015 ERS experience with adjustments for mortality improvements based on the the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2017 valuation are based on the results of an actuarial experience study for the period April 1, 2010 through March 31, 2015.

F. Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 13. PENSION PLAN (continued)

F. Long-Term Expected Rate of Return

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	36.0%	4.55%
International equity	14.0%	6.35%
Private equity	10.0%	7.50%
Real estate	10.0%	5.55%
Absolute return strategies (1)	2.0%	3.75%
Opportunistic portfolio	3.0%	5.68%
Real assets	3.0%	5.29%
Bonds and mortgages	17.0%	1.31%
Cash	1.0%	(0.25%)
Inflation-indexed bonds	4.0%	1.25%

The real rate of return is net of the long-term inflation assumption of 2.50%.

(1) Excludes equity-oriented and long-only funds. For investment management purposes, these funds are included in domestic equity and international equity.

G. Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon those assumptions, the ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Authority's net pension liability of participating employers calculated using the current-period discount rate assumption of 7.0%, as well as what the Authority's collective net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 13. PENSION PLAN (continued)

H. Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (continued)

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Authority's proportionate share of the net pension liability (asset)	\$ <u>6,314,255</u>	\$ <u>834,526</u>	\$ <u>(3,801,104)</u>

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS PLAN

A. Plan Description

The Authority provides post-employment health insurance coverage to retired employees in accordance with the provisions of various employment contracts.

B. Benefits

These benefits include post-employment medical benefits, including prescription drug benefits, as part of the medical plan on a fully insured basis through the New York State Health Insurance Plan or the Empire Plan. The valuation reflects the reimbursement of Medicare Part B premium to retirees, spouses, and surviving spouses over age 65 that are eligible for the benefit. Employee will pay Medicare Part B premium and be reimbursed by the Authority. The Authority does not reimburse for the Income Related Monthly Adjustment Amount. Dental coverage and life insurance coverage are also provided to retirees. All coverages are subsidized at 100% by the Authority, i.e., no contributions for retirees.

At June 30, 2018, the following employees were covered by the benefit terms:

Retired employees or beneficiaries currently receiving benefit payments	80
Active employees not yet eligible for benefits	70
Active employees eligible for benefits	<u>17</u>
Total covered employees	<u>167</u>

C. Contributions

The contribution requirements of OPEB members and the Authority are established by the Board of Commissioners. The required contribution is based on a projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as may be determined annually by the Board. This is a method of financing an OPEB under which the contributions to the plan are generally made at about the same time and amounts as benefits and expenses become due. The coverage is non-contributory for current and future retirees whereby the Authority pays 100% of the costs for all lines of coverage.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS PLAN (continued)

D. Net Other Post-Employment Benefits

The Authority's net OPEB liability was measured as of July 1, 2017, and reflects the projected pay-as-you-go results for the fiscal year July 1, 2017 to June 30, 2018.

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods including in the measurement, unless otherwise specified:

Inflation rate	3.5%
Salary increases:	3.0%
Investment rate of return	7.0
Healthcare cost trend rates	8.0% for 2019, decreasing 0.5% per year to an ultimate rate of 5.0% for 2025 and later years

Mortality rates were based on the RP 2014 Employee and Healthy Annuitant Tables for males and females, as appropriate, with adjustments for mortality improvements for both pre and post retirement using the Projection Scale AA.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an analysis of electronic census information, retiree plan information, summarized information of collective bargaining contracts by bargaining unit, and other summary information of retiree benefits and eligibility.

E. Discount Rate

The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate assumed that the Authority's contributions will be made at the current contribution rates. Based upon those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments of current active and inactive employees. Therefore the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS PLAN (continued)

F. Changes in the Net Other Post-Employment Benefits

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2017	\$ <u>45,622,533</u>	\$ <u>-</u>	\$ <u>45,622,533</u>
Changes for the year:			
Service cost	496,411	-	496,411
Interest	1,574,406	-	1,574,406
Benefit payments	<u>(1,279,089)</u>	<u>-</u>	<u>(1,279,089)</u>
Net changes	<u>791,728</u>	<u>-</u>	<u>791,728</u>
Balance at June 30, 2018	\$ <u><u>46,414,261</u></u>	\$ <u><u>-</u></u>	\$ <u><u>46,414,261</u></u>

G. Sensitivity of the of the Net Other Post-Employment Liability to Changes in the Discount Rate and Health Care Trend Rates

The following presents the net OPEB liability of the Authority, as well what the Authority's net OPEB liability would be if it were calculated using discount rates that are 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current discount rate:

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Net OPEB liability	\$ <u>56,774,132</u>	\$ <u>46,414,260</u>	\$ <u>38,713,723</u>

The following presents the net OPEB liability of the Authority, as well what the Authority's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7%) or 1-percentage-point higher (9%) than the current healthcare cost trend rates:

	1% Decrease (7.0%)	Current Trend Rate (8.0%)	1% Increase (9.0%)
Net OPEB liability	\$ <u>38,160,048</u>	\$ <u>46,414,260</u>	\$ <u>58,353,386</u>

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2018

NOTE 15. CHANGE IN ACCOUNTING PRINCIPLE

During the year ended June 30, 2018, the Authority adopted GASB 75. As a result of adopting GASB 75, the Authority recorded a beginning other post employment benefit (OPEB) liability and a charge to unrestricted net position as of July 1, 2018 on the Authority's statement of net position in the amount of \$37,398,379.

NOTE 16. ECONOMIC DEPENDENCY

The Section 8 Housing Choice Voucher and Public and Indian Housing programs of the Authority are economically dependent on grants and subsidies from HUD. The programs operate at a loss prior to receiving the grants.

NOTE 17. RISK MANAGEMENT

The Authority is exposed to various risks related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

NOTE 18. CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD. As of June 30, 2018, the Authority estimates that no material liabilities will result from such audits.

NOTE 19. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through March 29, 2019 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.



CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of the
Municipal Housing Authority for the City of Yonkers:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities (primary government) and the discretely presented component units of the Municipal Housing Authority for the City of Yonkers (the "Authority") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated March 29, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2018-001 and 2018-002.

Authority's Response to Findings

The Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 29, 2019
Toms River, New Jersey

Novogrudac & Company LLP



CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of the
Municipal Housing Authority for the City of Yonkers:

Report on Compliance for Each Major Federal Program

We have audited the Municipal Housing Authority for the City of Yonkers's (the "Authority") compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2018. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

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Basis for Qualified Opinions on Section 8 Housing Choice Vouchers and Public and Indian Housing

As described in the accompanying schedule of findings and questioned costs in items 2018-001 and 2018-002, the Authority did not comply with the eligibility compliance requirements of the Uniform Guidance regarding missing tenant file items as required by the Section 8 Housing Choice Vouchers Program (CFDA #14.871) and Public and Indian Housing Program (CFDA #14.850). Compliance with such requirements is necessary, in our opinion, for the Authority to comply with the requirements of these programs.

Qualified Opinions on Section 8 Housing Choice Vouchers and Public and Indian Housing

In our opinion, except for the non-compliance described in the Basis for Qualified Opinions paragraph, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the Section 8 Housing Choice Vouchers Program and Public and Indian Housing Program.

Other Matters

The Authority's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the schedule of findings and questioned costs as items 2018-001 and 2018-002 to be material weaknesses. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Report on Internal Control Over Compliance (continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

March 29, 2019
Toms River, New Jersey

Novogradac & Company LLP

SUPPLEMENTARY INFORMATION

**MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	\$ <u>35,365,336</u>
Total Housing Voucher Cluster		35,365,336
Public and Indian Housing Program	14.850	7,553,944
Public Housing Capital Fund Program	14.872	3,739,434
Continuum of Care	14.267	567,875
Resident Opportunity and Support Services - Service Coordinators	14.870	<u>74,829</u>
Total Expenditures of Federal Awards		<u>\$ <u>47,301,418</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

**MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2018. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the principles contained in the Uniform Guidance and OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3. INDIRECT COST RATE

The Authority has not elected to use the ten percent de minimus indirect cost rate allowed under the Uniform Guidance.

**MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 4. SCHEDULE OF CAPITAL FUND COSTS AND ADVANCES

The total amounts of Capital Fund Program Costs and Advances incurred and earned by the Authority as of and for the year ended June 30, 2018 are provided herein:

	<u>501-13</u>	<u>501-14</u>	<u>501-15</u>	<u>501-16</u>	<u>501-17</u>	<u>501-18</u>	<u>Totals</u>
<u>Budget</u>	<u>\$ 3,012,070</u>	<u>\$ 3,149,402</u>	<u>\$ 3,815,698</u>	<u>\$ 3,878,404</u>	<u>\$ 3,923,851</u>	<u>\$ 5,492,684</u>	<u>\$23,272,109</u>
<u>Advances:</u>							
Cumulative through 6/30/2017	\$ 3,012,070	\$ 2,951,008	\$ 3,374,719	\$ 2,262,341	\$ -	\$ -	\$11,600,138
Current Year	<u>198,394</u>	<u>865,433</u>	<u>292,780</u>	<u>865,433</u>	<u>1,425,898</u>	<u>-</u>	<u>2,782,505</u>
Cumulative through 6/30/2018	<u>3,012,070</u>	<u>3,149,402</u>	<u>3,667,499</u>	<u>3,127,774</u>	<u>1,425,898</u>	<u>-</u>	<u>14,382,643</u>
<u>Costs:</u>							
Cumulative through 6/30/2017	2,917,144	2,949,720	3,402,630	2,377,375	-	-	11,646,869
Current Year	<u>94,926</u>	<u>199,682</u>	<u>302,709</u>	<u>750,399</u>	<u>1,479,317</u>	<u>889,383</u>	<u>3,716,416</u>
Cumulative through 6/30/2018	<u>3,012,070</u>	<u>3,149,402</u>	<u>3,705,339</u>	<u>3,127,774</u>	<u>1,479,317</u>	<u>889,383</u>	<u>15,363,285</u>
Excess / (Deficiency)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (37,840)</u>	<u>\$ -</u>	<u>\$ (53,419)</u>	<u>\$ (889,383)</u>	<u>\$ (980,642)</u>

1) Capital Fund Grants NY36P003501-13 and NY36P003501-14 with approved fundings of \$3,012,070 and \$3,149,402, respectively, have been fully drawn down and expended as per Capital Fund Grant Regulations.

**MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

I. Summary of Auditors' Results

Financial Statement Section

1.	Type of auditors' report issued:	Unmodified
2.	Internal control over financial reporting	
	a. Material weakness(es) identified?	Yes
	b. Significant deficiency(ies) identified?	No
3.	Noncompliance material to the financial statements?	Yes

Federal Awards Section

1.	Internal Control over compliance:	
	a. Material weakness(es) identified?	Yes
	b. Significant deficiency(ies) identified?	No
2.	Type of auditors' report on compliance for major programs:	
	Section 8 Housing Choice Vouchers	Qualified
	Public and Indian Housing Program	Qualified
	Public Housing Capital Fund Program	Unmodified
3.	Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	Yes
4.	Identification of major programs:	
	<u>CFDA Number</u>	<u>Name of Federal Program</u>
	14.871	Section 8 Housing Choice Vouchers
	14.850	Public and Indian Housing Program
	14.872	Public Housing Capital Fund Program
5.	Dollar threshold used to distinguish between Type A and Type B Programs:	\$1,419,043
6.	Auditee qualified as low-risk Auditee?	No

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2018

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

Finding 2018-001

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program Titles: Section 8 Housing Choice Vouchers Program
Federal Catalog Numbers: 14.871
Material Noncompliance – E. Eligibility – Tenant Files
Non Compliance Material to the Financial Statements: Yes
Material Weakness in Internal Control over Compliance for Eligibility

Criteria: Tenant Files. The PHA must do the following: As a condition of admission or continued occupancy, require the tenant and other family member to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516).

Condition: Based upon inspection of the Authority's files and on discussion with management there were a significant number of documents that were unavailable for examination at the time of audit.

Context: Of a sample size of thirty five (35) tenant files, the following information was unavailable for examination at the time of audit:

- Lead based paint form was missing in three (3) files
- Annual inspection report was missing in two (2) files
- HUD-50058 form was missing in two (2) files
- Verification of income and assets was missing in three (3) files

Our sample size is statistically valid.

Known Questioned Costs: \$91,399

Likely Questioned Costs: \$6,358,759

Cause: There is a material weakness in internal controls over the compliance for the eligibility type of compliance related to the maintenance of tenant files. The Authority has not properly considered, designed, implemented, maintained and monitored a system of internal controls that reasonably assures the program is in compliance.

Effect: The Section 8 Housing Choice Vouchers Program is in material non-compliance with the eligibility type of compliance related to the maintenance of tenant files.

Recommendation: We recommend the Authority design and implement internal control procedures that will reasonably assure compliance with the Uniform Guidance and the compliance supplement.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2018

III. Federal Award Findings and Questioned Costs (continued)

Finding 2018-002

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program Titles: Public and Indian Housing Program
Federal Catalog Numbers: 14.850
Material Noncompliance – E. Eligibility – Tenant Files
Non Compliance Material to the Financial Statements: Yes
Material Weakness in Internal Control over Compliance for Eligibility

Criteria: Tenant Files. The PHA must do the following: As a condition of admission or continued occupancy, require the tenant and other family member to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516).

Condition: Based upon inspection of the Authority's files and on discussion with management there were a significant number of documents that were unavailable for examination at the time of audit.

Context: Of a sample size of twenty six (26) tenant files, the following information was unavailable for examination at the time of audit:

- Original application was missing in one (1) file
- Consent to release information form was missing in one (1) file
- Signed lease was missing in two (2) files
- HUD-50058 form was missing in one (1) file
- Verification of income and assets was missing in two (2) files

Our sample size is statistically valid.

Known Questioned Costs: \$10,972

Likely Questioned Costs: \$515,684

Cause: There is a material weakness in internal controls over the compliance for the eligibility type of compliance related to the maintenance of tenant files. The Authority has not properly considered, designed, implemented, maintained and monitored a system of internal controls that reasonably assures the program is in compliance.

Effect: The Public and Indian Housing Program is in material non-compliance with the eligibility type of compliance related to the maintenance of tenant files.

Recommendation: We recommend the Authority design and implement internal control procedures that will reasonably assure compliance with the Uniform Guidance and the compliance supplement.

Views of responsible officials and planned corrective action: The Authority has recognized the deficiencies in the Section 8 Housing Choice Vouchers Program and the Public and Indian Housing Program.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2018

IV. Schedule of Prior Year Federal Audit Findings

Finding 2017-001

Observation: During the planning stages of the audit trial balances for all projects and programs were requested that agreed with the unaudited financial data schedule. Upon receiving the information, it was noted that without considerable reconciliation and analysis, the data did not agree with the submitted financial data schedule.

Status: Corrected

Finding 2017-002

Observation: During review of the balance sheet it was noted that the Authority uses a general fund located within the Central Office Cost Center's ("COCC") general ledger to pay for expenditures that are attributable to the Public and Indian Housing Program ("PH") and other programs. The result of this method of payment has produced a large interfund payable within the COCC and a large inter-fund receivable within PH. With both the COCC continuing to run a deficit and not produce positive cash flow, and the presence of the large payable, it is presumed that the COCC has expended PH funds in order to support the COCC. This is a violation of HUD rules.

Status: Corrected

Finding 2017-003

Observation: The Authority did not submit their financial data schedule until 7 months after their fiscal year end.

Status: Corrected

**MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
REQUIRED PENSION INFORMATION
JUNE 30, 2018**

SCHEDULE OF AUTHORITY CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS***

	June 30, <u>2016</u>	June 30, <u>2017</u>	June 30, <u>2018</u>
Contractually required contribution	\$ 1,140,440	\$ 1,101,722	\$ 1,019,874
Contributions in relation to the contractually required contribution	<u>1,140,440</u>	<u>1,101,722</u>	<u>1,019,874</u>
(Over) / under funded	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Authority's covered-employee payroll	\$ <u>7,113,804</u>	\$ <u>6,927,148</u>	\$ <u>6,932,627</u>
Contributions as a percentage of covered- employee payroll	<u>16.03 %</u>	<u>15.90 %</u>	<u>14.71 %</u>

*** = Until a full 10 year trend is compiled the Authority is presenting information for those years that are available.

MUNICIPAL HOUSING AUTHORITY FOR THE CITY OF YONKERS
 REQUIRED PENSION INFORMATION (continued)
 JUNE 30, 2018

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY FOR THE LAST
 TEN FISCAL YEARS***

	June 30, 2016	June 30, 2017	June 30, 2018
Authority's proportion of the net pension liability	<u>0.0262 %</u>	<u>0.0280 %</u>	<u>0.0259 %</u>
Authority's proportionate share of the net pension liability	<u>\$ 4,201,195</u>	<u>\$ 2,634,470</u>	<u>\$ 834,526</u>
Authority's covered-employee payroll	<u>\$ 7,113,804</u>	<u>\$ 6,927,148</u>	<u>\$ 6,932,627</u>
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>59.06 %</u>	<u>38.03 %</u>	<u>12.04 %</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>7.00 %</u>	<u>7.00 %</u>	<u>7.00 %</u>

*** = Until a full 10 year trend is compiled the Authority is presenting information for those years that are available.

MUNICIPAL HOUSING AUTHORITY OF THE CITY OF YONKERS
 FINANCIAL DATA SCHEDULE
 JUNE 30, 2018

Line Item #	Accounts Description	14.870 Resident Opportunity and Supportive Services	14.267 Continuum of Care Program	14.866 Revitalization of Severely Discreased Public Housing	14.871 Housing Choice Vouchers	14.892 Choice Neighborhood Planning Grants	14.218 Community Development Block Grants	Discretely Presented Component	2 State/Local	COCC	EUM	Total
CURRENT LIABILITIES												
312	Accounts payable <= 90 days	\$ 398,938	\$ -	\$ -	\$ 26,477	\$ -	\$ -	\$ 28,146	\$ -	\$ 143,288	\$ -	\$ 643,949
313	Accounts payable > 90 days	9,754	-	-	77,133	-	-	-	-	138,137	-	265,481
321	Accrued wage/payroll tax payable	14,132	-	-	7,601	-	-	-	-	53,052	-	74,785
322	Accrued compensated absences - current portion	-	-	-	-	-	-	-	-	-	-	-
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	6,613	-	-	2,886	-	-	776,280	-	-	-	6,613
331	Accounts payable - HUD	-	-	-	-	-	-	-	-	-	-	779,166
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - Other Government	159,250	-	-	265,806	-	-	198,121	-	-	-	640,867
341	Interest of mortgage payable	226,751	-	-	-	-	-	175,115	-	-	-	401,866
342	Deferred revenues	11,844	-	-	-	-	-	4,643	-	-	-	16,487
342	Current portion of LT debt - capital projects/ mortgage revenue	307,924	-	-	-	-	-	-	-	-	-	307,924
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	2,780	-	-	-	-	-	800	-	144,504	-	148,109
346	Other liabilities	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram (due to)	889,382	-	-	-	-	-	13,195	-	-	-	13,195
348	Loan liability - current	-	-	-	-	-	-	-	-	8,261	-	8,261
310	Total current liabilities	2,027,428	-	-	379,973	-	-	1,003,147	-	487,642	(897,643)	52,947,311
NONCURRENT LIABILITIES												
351	Long-term debt, net of current - capital projects/ mortgage	3,257,548	-	-	-	-	-	-	-	-	-	3,257,548
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	-	-	-	-	-	-	8,400,000	-	-	-	8,400,000
354	Accrued compensated absences - noncurrent	127,181	-	-	68,410	-	-	-	-	477,469	-	673,060
357	Accrued pension and OPEB liability	12,420,887	-	-	789,042	-	-	-	-	34,038,758	-	47,248,787
350	Total noncurrent liabilities	15,865,716	-	-	857,452	-	-	8,400,000	-	34,516,227	-	59,579,395
300	Total liabilities	17,893,144	-	-	1,237,375	-	-	1,003,147	-	35,003,869	(897,643)	115,527,203
40000	TOTAL DEFERRED INFLOWS	\$ 384,326	\$ -	\$ -	\$ 194,231	\$ -	\$ -	\$ 12,437,568	\$ -	\$ 1,002,614	\$ -	\$ 14,018,539
EQUITY												
508.1	Invested in capital assets	9,605,807	-	-	142,372	-	-	4,816,332	-	144,133	-	25,042,047
511.1	Restricted net position	-	-	-	1,362,894	-	-	1,292,689	-	-	-	2,655,583
512.1	Unrestricted net position	(6,514,596)	-	22,002	815,890	-	-	34,899,017	-	(31,375,834)	-	(10,543,758)
513	Total equity/net assets	3,091,211	-	22,002	2,321,156	-	-	39,715,349	-	(31,232,801)	-	17,159,872
600	TOTAL LIABILITIES AND EQUITY/NET POSITION	\$ 21,308,381	\$ -	\$ 22,002	\$ 3,752,762	\$ -	\$ -	\$ 53,156,064	\$ -	\$ 4,773,482	\$ (897,643)	\$ 146,699,614

MUNICIPAL HOUSING AUTHORITY OF THE CITY OF YONKERS
 FINANCIAL DATA SCHEDULE
 JUNE 30, 2016

Line Item #	Accounts Description	14.870 Resident Opportunity and Supportive Services										14.886 Revitalization of Severely Distressed Public Housing		14.871 Housing Choice Vouchers		14.892 Choice Neighborhood Planning Grants		14.218 Community Development Block Grants		2 State/Local		COCC		ELIM		Total			
		Project Totals	Supportive Services	Continuum of Care Program	14.267	14.871	14.892	14.871	14.886	14.870	14.871	14.886	14.871	14.886	14.871	14.886	14.871	14.886	14.871	14.886	14.871	14.886	14.871	14.886	14.871		14.886		
70900	REVENUE																												
70900	Net tenant rental revenue	\$ 6,807,457	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,941,742		
70900	Tenant revenue - other	308,810	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	316,512		
70500	Total tenant revenue	7,116,267	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,258,254		
70600	HUD PHA operating grants	10,785,771	74,829	567,875	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,413,404		
70610	Capital grants	484,587	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	484,587		
70710	Management fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,368,080		
70720	Asset management fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	369,735		
70730	Bookkeeping fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	356,445		
70740	Front line service fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	321,972		
70750	Interest of mortgage payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,415,830		
70700	Total fee revenue	11,270,358	74,829	567,875	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23,020		
70800	Other governmental grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
71100	Investment income - unrestricted	3,255	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,702	
71200	Mortgage interest income	82,800	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,749,575	
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
71310	Interest on notes payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
71400	Fraud recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,453	
71500	Other revenue	192,516	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,400,409	
71600	Gain or loss on sale of capital assets	(975,606)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(975,606)	
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
70800	Total revenue	17,689,591	74,829	567,875	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55,712,750		
EXPENSES																													
91100	Administrative salaries	950,245	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,208,072		
91200	Auditing fees	9,753	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,503		
91300	Management fee	865,769	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,207		
91310	Bookkeeping fee	123,522	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,368,080)	
91400	Advertising and marketing	1,399	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	330		
91500	Employee benefit contributions - administrative	886,373	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,965		
91600	Office expense	87,690	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50		
91700	Legal expense	173,912	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	547,658		
91800	Travel	1,368	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116,781		
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	132,981		
91900	Other	1,461,915	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	98,127		
	Total administrative	6,582,246	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,960,989		
92000	Asset management fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,095,633		
92100	Tenant services:																												
92100	Salaries	64,828	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,283,633	
92200	Relocation costs	101,446	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,925	
92300	Employee benefit contributions	9,886	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,368,080)	
92400	Other	159,766	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(869,755)	
93400	Gas	1,978,741	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50	
	Ordinary maintenance & operations:																												
94100	Labor	1,902,446	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	547,658	
94200	Materials and other	164,505	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	116,781	
94300	Contracts	969,450	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	132,981	
94500	Employee benefits contribution	1,840,815	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	98,127	
	Total ordinary maintenance & operations	4,877,216	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	68,776	
95100	Protective services:																												
95100	Labor	1,116,197	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,790
95200	Other contract costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,275	
95300	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	534	
95500	Employee benefit contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,497	
95000	Total protective services	1,116,197	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,959,905	
	Total	23,029	112	2,989,854	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,737,815	

Attachment B.5

PUBLIC HEARING – ANNUAL PLAN 2019 CALCAGNO HOMES – GYM APRIL 4, 2019

- Mr. Shuldiner explained the Annual Plan Summary
- Jennifer Martinez translated
- We need funding for Calcagno (It will be taken out of Public Housing and will become Section 8 (RAD))
- Funding will be different for Calcagno and Loehr Court than our other properties.
- The Seven Townhomes are now completely Section 8 since Construction is now complete there. Landscaping for the property will be done this summer.
- Curran Court currently has one last building that is being constructed. Flynn, Schlobohm, and Walsh are completed/reconstructed.
- We closed on Troy Manor and Kris Kristensen in March 2019.
- Kris Kristensen will take a little longer since an elevator needs to be installed. All work will be completed by next year.
- Any of the Public Housing apartments located in School House Terrace, 188 Warburton, etc. will be converted to Section 8 but will not be reconstructed since they are brand new buildings.
- We gave the last bit of property on the old Mulford Gardens site to the City to build an Elementary School.
- They in turn gave us the Longfellow School property and we will build. A Senior Building. It is located diagonally across from Kris Kristensen.
- All developments have Service Coordinators through FSSY funded by the Ross Grants and/or the Authority and will contract for as long as 15 months.
- Mr. Shuldiner spoke about Rules and Changes to the ACOP and Admin Plan.
- Mr. Shuldiner spoke to the Calcagno residents regarding their development. Calcagno is the most expensive per unit, about \$80,000. Even with tax credits and bonds, we still need over \$21 million dollars. The State only has a certain amount they can give us.
- \$125 million was allotted for Housing Authorities in the State. Yonkers has already gotten \$75 million. There is only \$50 million for the rest of the State. We asked for \$21 million and they said they gave us enough. We still need \$21 million, if we can get full value vouchers.
- We asked the Federal Home Loan Bank for two or 3 million. We are looking at the Capital Fund.
- We will replace one elevator in each building
- Calcagno Homes alone will cost more but, if combined with Loehr Court, it will reduce the per unit cost.
- Last weekend we found out from the State there was \$100 million. The Governor had no money in the budget. They did not put any money into this.
- If we had received the \$100 million, we would have been able to close this June 2019. This not good news.

- A resident of Calcagno complained that this is not fair as she feels her apartment is full of mildew. Mr. Shuldiner said, we are looking into other sources. It will be funded to repair, but it will just take longer.
- New boilers were put into Calcagno. We paid half and Weatherization paid the other half. We are asking the State to extend the money for 40 years. This will give us more time to pay it. We will need to use Sunny Mae, Freddie MAC, and FHA at Calcagno. We did not have to use it at the other sites
- Construction will start at the end of this year. The Plumbing line will be done first. The vacant units will be fixed first so if someone needs to be relocated while their apartment is being reconstructed, they can use that apartment in the meantime and then when their apartment is ready, they may return to it.
- There are no handicap units available right now. It takes 8 weeks to set up a Handicap accessible unit. There will only be 15 Handicap accessible units.
- All apartments will have new kitchen cabinets, new bathrooms, kitchen floors, painting and more. Bath Fitters will be coming next week to take measurements of the bathrooms.
- Bonds are issued in September/October. We have to wait until then to see if we can get more money.

**PUBLIC HEARING – ANNUAL PLAN 2019
CURRAN COURT COMMUNITY ROOM
APRIL 4, 2019**

- Mr. Shuldiner explained the FY 2019 Annual Plan Summary
- We are implementing some changes in our rules
- Mr. Shuldiner explained the construction that will be taking place at Calcagno
- The funding for Calcagno and Loehr Court may be different. We hope to get funding soon.
- We closed on Kris Kristensen and Troy Manor in March 2019. Construction will start in May.
- One- half (1/2) of the Mulford Gardens site has been replaced. We gave 2/3 of the site to the City to build another Elementary School.
- The City gave us the Longfellow School property and we will build a new senior Development.
- We will continue to look for inexpensive land.
- Mr. Shuldiner explained the ACOP Summary of changes.

B.6
REQUIRED SUBMISSION
RESIDENT ADVISORY BOARD (RAB) COMMENTS

The Resident Advisory Board (RAB) for the Municipal Housing Authority for the City of Yonkers, New York (MHACY) has twelve (12) sites represented. The most recent election was held October 2018. In an effort to ensure that all sites were represented, the Resident Representatives from each site were asked to provide their site comments i.e. their “wish lists” to MHACY. **The FY 2019 Annual Plan did not need to be revised after final resident comments were reviewed. The wish lists were forwarded to the on-site ROSS Service Coordinators and Site Managers.**

TROY MANOR: Residents want security around the clock from the roof to the ground. The stairways are horrible after dark and the evening hours. Please keep the stairways clean especially of “human waste.” The front door still does not lock from behind by itself. Tenants should close the doors (which they rarely do). Better lighting in the parking lot. A faulty fire alarm system. Elevator problems from time to time.

SEVEN TOWNHOMES: The residents want a central meeting room where they can gather. They have been previously meeting at the library and other off-site locations. The residents want more activities for children, possibly a small play area (playground) at each site. They love the renovations.

CURRAN COURT: The residents want a working piano for the community room. A bus to be able to take trips would be nice. A picnic area would be nice. A public address system for the community room with a portable microphone and a CD player for the residents to use. An updated kitchen. They are excited about the current renovations.

WALSH ROAD: The residents want English and Spanish speaking classes, more bingo, exercise classes for seniors, and the people with special needs, possibly Zumba. Game nights with cards would be nice, with movie nights. Sewing and knitting classes would be a great improvement. The residents are excited about the renovations.

FLYNN MANOR: The residents want an exercise room with machines and language (Spanish and English) classes. They want an exercise class (designed for seniors), bingo games, ping-pong tables, and a pool table. They are looking forward to upcoming renovation plans.

CALGANO: The residents would like a better park, a place in which they can barbeque, utilize the community room for parties like the other sites, better elevators, cameras in the stairwells as people are relieving themselves there, better security, better and timely responses from the call center and they want to know why they cannot smoke out their windows. They would like a place to put the garbage as in front of the building and causing pets, more visitor parking. More often food pantry delivery.

COTTAGE PLACE GARDENS: There is a problem with the shelter being closed and the homeless persons have been wandering through the site. The security doors locks have been broken from outsiders so they want increased security. The cleanliness in the building needs to be addressed even if outsiders cause it. Seniors want the community room to be more active (bingo).

SCHLOBOHM: The residents want more security for all of the buildings. More maintenance staff to clean the buildings and grounds. Guest parking is needed. Improve the play areas between the buildings, and better trash pickup. A more efficient work center for repairs. More handicap ramps from sidewalk to the street. Another acceptable way to pay rent on the site. Better smoking areas and remove all the black “jail” fences. More English and Spanish classes and the residents are excited about the upcoming renovation plans.

JAMES E. HALL HOMES: The residents want a pest control service that can remove the mice infestation. Residents need to understand that staff is trying hard to improve the sites, as the renovations are wonderful, so the residents need to stop always complaining at the Tenant Meetings. More English and Spanish classes would be nice.

MARTINELLI MANOR: The residents want an electric grill on the patio, exercise equipment in the computer room, extra laundry facilities, as they are always not enough to go around. They could use English and Spanish classes. They also want their own food pantry. They are excited about the upcoming renovation plans.

LOEHR COURT/WESTERN AVENUE: The residents want more communication between the Office and Tenants (often when they call the office often there is no response). The front door locks, boiler furnace, intercom, door bells needs to be fixed before the renovations are completed. The roof gutters need to be cleaned. There are too many cats on the property. Residents want an American Flag. The radiator heat valve needs to be changed.

KRIS KRISTENSEN: The residents want to continue the English and Spanish classes and have more participation from residents as they have numerous activities. They are looking forward to the upcoming renovation plans. They would love to have casino trips scheduled.

**Certification by State or Local
Official of PHA Plans Consistency
with the Consolidated Plan or
State Consolidated Plan
(All PHAs)**

U. S Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 2/29/2016

**Certification by State or Local Official of PHA Plans
Consistency with the Consolidated Plan or State Consolidated Plan**

I, Wilson Kimball _____, the Commissioner of Planning and Development
Official's Name *Official's Title*

certify that the 5-Year PHA Plan and/or Annual PHA Plan of the Municipal Housing Authority
for the City of Yonkers, New York

PHA Name

is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of
Impediments (AI) to Fair Housing Choice of the City of Yonkers, New York


Local Jurisdiction Name

pursuant to 24 CFR Part 91.

Provide a description of how the PHA Plan is consistent with the Consolidated Plan or State
Consolidated Plan and the AI.

The Municipal Housing Authority for the City of Yonkers (MHACY), FY 2019 Annual Plan is consistent with the City of Yonkers Consolidated Plan and Analysis of Impediments (AI) to the Fair Housing Choice factors in addressing the issues of affordable housing. Regardless of tenure, income or household size the most common problem affecting all households is cost burden. The MHACY will continue in partnership with the City of Yonkers to assist in meeting the needs of persons affected by the lack of affordable housing.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official Wilson Kimball 	Title Commissioner-Department of Planning
Signature	Date 4/15/19