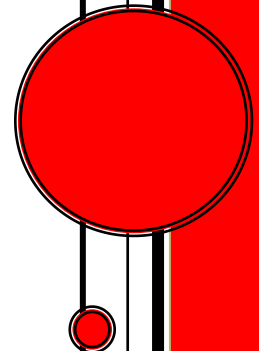




2017 Annual Operating Budget
December 22, 2016



METROPOLITAN HOUSING ALLIANCE OF THE CITY OF LITTLE ROCK, ARKANSAS

COMPREHENSIVE OPERATING BUDGET FISCAL YEAR BEGINNING JANUARY 1, 2017

Mr. Ted Dickey
Chairperson

Mr. Louis Jackson
Resident Commissioner

Mr. Kenyon Lowe, Sr.
Vice Chairperson

Ms. Valerie Brown
Commissioner

Ms. Leta Anthony
Commissioner

Renee Nance
Resident Advisor

Mr. J. Mark Davis
Agency Counsel

Mr. Rodney Forte
Executive Director

Ms. Dana Arnette
Deputy Executive Director

Mr. Kenneth Clark
**Deputy Executive Director/ Real
Estate**

Mr. Marshal Nash
**Director of
Administrative and Legal Services**

Mrs. Kathy Washington
**Interim Director of Agency
Owned Assets**

Mrs. Jeannie Owens
**Director of
Section 8 Programs**

Mr. Ron Hooks
Director of Finance

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MHA BOARD OF COMMISSIONERS

The MHA Board of Commissioners consists of five members appointed by the Mayor of Little Rock and approved by the City Board of Directors. Each member serves a five-year term. The Board is responsible for establishing MHA policy, long-term goals, objectives and direction. The Board of Commissioners is also responsible for hiring the Executive Director.

Matters requiring Board approval are voted on at monthly board meetings for full Board approval.

Board meetings are held each month. Location and/or changes are posted three days prior to the meeting at the front entrance of the MHA main administrative offices located at 100 South Arch Street; or can be obtained by calling the MHA Executive Offices at (501) 340-4821; or by visiting our website at www.mhapha.org.

Board Members

Mr. Ted Dickey – Chairperson
Mr. Kenyon Lowe, Sr – Vice Chairperson
Louis Jackson – Resident Commissioner
Ms. Valerie Brown – Commissioner
Ms. Leta Anthony - Commissioner

Executive Summary



OFFICE OF THE EXECUTIVE DIRECTOR/CEO
100 South Arch Street
Little Rock, AR 72201
(501) 340-4821 / (501) 340-4845 (fax)

October 13, 2016

To the Board of Commissioners:

In accordance with HUD reporting requirements and Asset Management Principles, I respectfully submit the official proposed 2017 Draft Budget for the Housing Authority of the City of Little Rock dba the Metropolitan Housing Alliance (MHA). This budget will support the continued operations of MHA's Public Housing and Housing Choice Voucher Programs as well as associated activities such as homeownership, security, modernization and development programs. The budget process encompassed input from all MHA departments and property managers – with collaborative themes to utilize teamwork to achieve operational efficiencies, provide quality service, and to sustain our future by continuing to chart an entrepreneurial course of action.

The highlights of the 2017 budget and the assumptions used in developing the 2017 budget are as follows:

- The FY 2017 MHA Comprehensive budget is for \$18,875,561, an increase of 3% from FY 2016.
- MHA will administer 2,262 Section 8 vouchers in FY 2017, which is not an increase from 2016.
- MHA is budgeted to manage 902 rental units between public housing and other MHA HUD and non-HUD programs in 2017.
- 98% occupancy is projected for MHA's established rental developments.
- MHA's health insurance premiums project an increase by 4% from 2016 to 2017.
- FY 2017 budget is a balanced budget.
- The 2017 budget forecasts 48 regular full-time employees.

BUDGET SUMMARY

The proposed budget for 2017 is \$18,875,561 in revenues and \$18,875,561 in expenditures. As in prior years, the majority of MHA's operating revenues come from federal financial assistance for the provision of low-income housing. \$14.5 million of the total 2017 budget is funded by the federal government. \$2.4 million is expected to be collected in rental income. Interest income of \$9,500 and other revenues of \$381,141 constitute the remainder of the 2017 revenues. The adopted 2017 budgeted expenditures include \$11.5 million in Housing Assistance Payments (HAP) to Section 8 landlords. Utility expenses are budgeted at \$1,034,607.

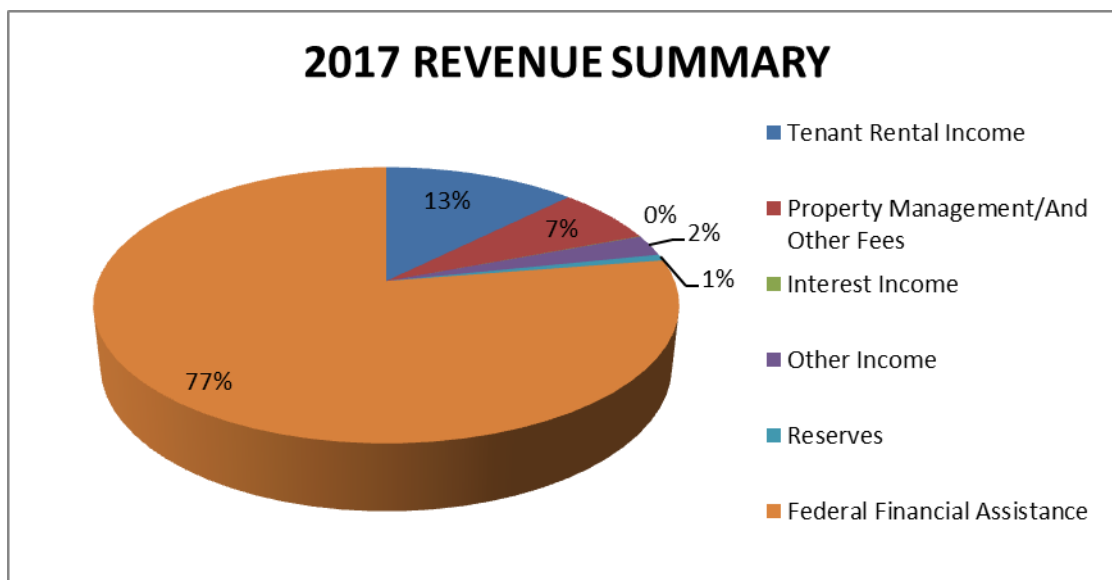
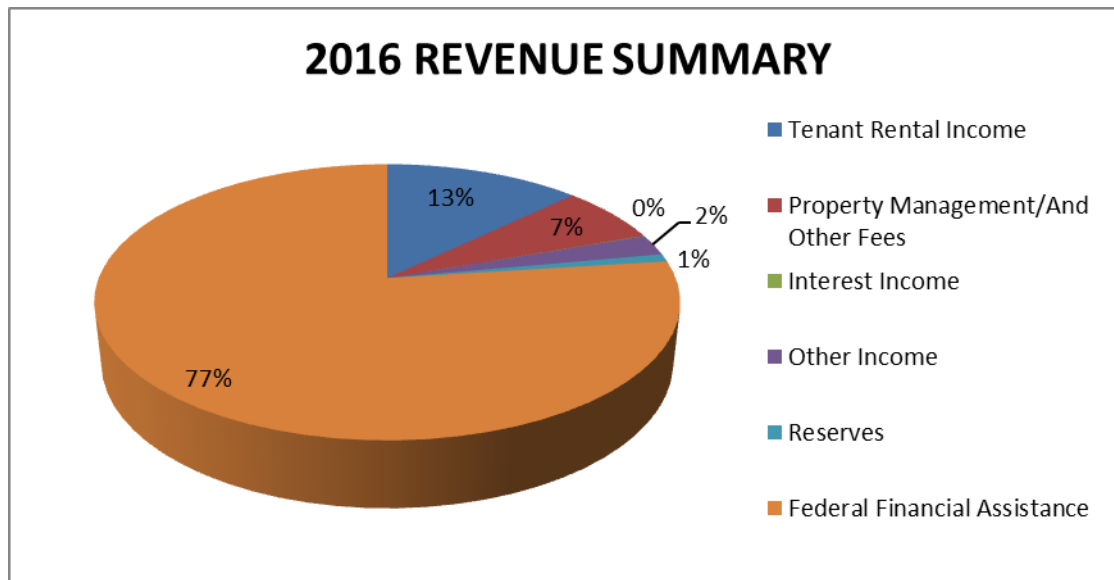
2017 BUDGET SUMMARY COMPARATIVE SUMMARY OF TOTAL 2017 REVENUES AND EXPENDITURES

	2015	2016	2017	Increase (Decrease) From Prior Year	Increase (Decrease) From Prior Year
Revenues - All Sources	Budget	Budget	Budget		
Rental income	\$1,891,295	\$2,353,464	\$2,434,954	3%	\$81,490
Management/Other Fees	1,040,595	1,239,810	1,239,810	0%	\$0
Federal financial assistance	12,616,030	14,141,872	14,467,603	2%	\$325,731
Other income	442,203	446,348	381,141	-15%	(\$65,207)
Interest	12,000	9,500	9,500	0%	\$0
Use of replacement & operating reserves	161,601	164,392	342,553	108%	\$178,161
Total	\$16,163,724	\$18,355,386	\$18,875,561	3%	\$520,175
All Expenditures*					
Administration	\$2,405,442	\$2,671,044	\$2,761,000	3%	\$89,956
Tenant Services	79,413	79,693	84,543	6%	\$4,850
Utilities	791,025	974,347	1,034,607	6%	\$60,260
Maintenance	1,055,720	1,186,145	1,332,708	12%	\$146,563
Protective Services	332,752	444,147	510,848	15%	\$66,701
General	460,935	506,685	482,468	-5%	(\$24,217)
Rent to owners	10,046,175	11,550,000	11,550,000	0%	\$0
Operating/Replacement Reserves	214,857	152,670	87,060	-43%	(\$65,610)
Capital Outlay	777,405	790,655	1,032,327	31%	\$241,672
Total	\$16,163,724	\$18,355,386	\$18,875,561	3%	\$520,175

Administration expense of \$2.7 million is a slight increase from last year due to benefits and general costs. Maintenance expense of \$1,332,708 includes salaries of the maintenance staff and the costs of materials. \$87,060 is budgeted to reduce MHA's operating and replacement reserves. The General expense category budgeted at \$482,468 which decreased \$24,217 is mostly MHA's insurance premium costs, payments in lieu of taxes (PILOT), and bad debt. The total increase from last year is mainly due to an increase in capital expenditures.

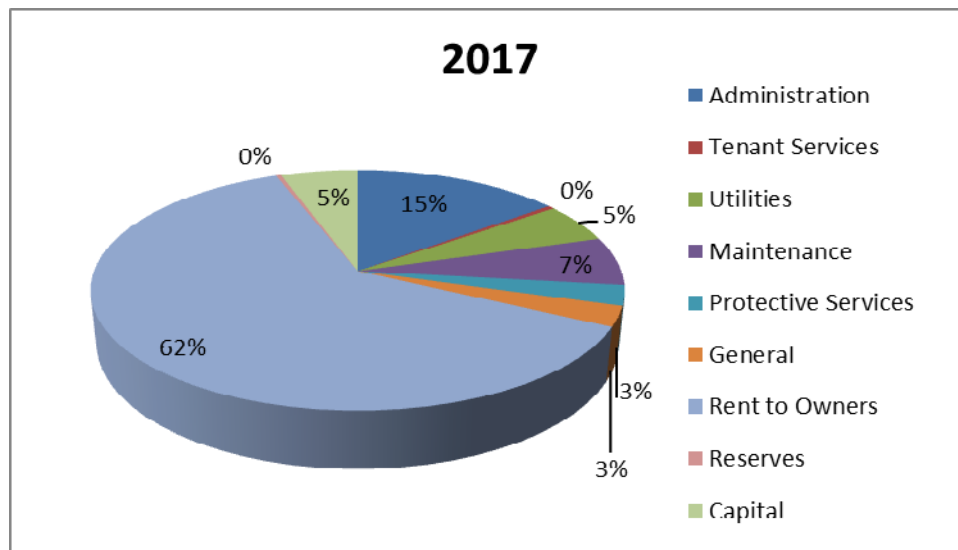
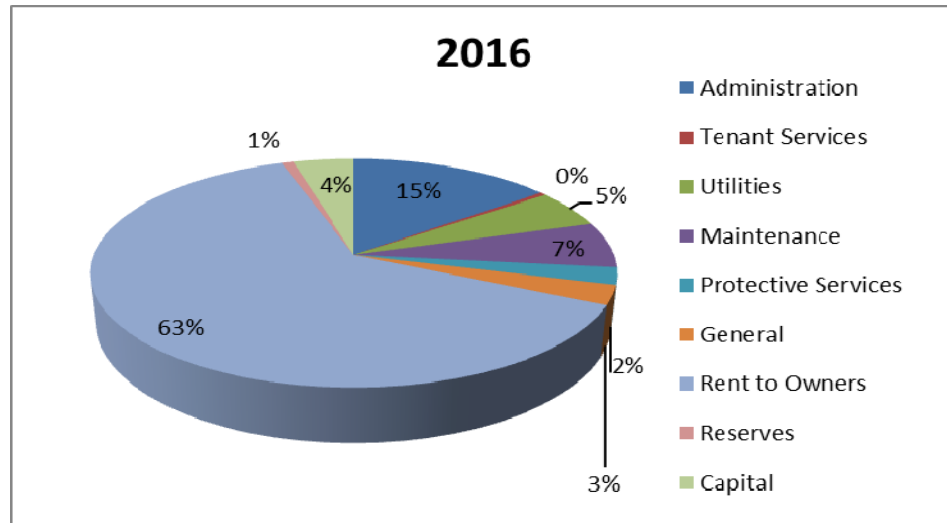
WHERE THE MONEY COMES FROM – ALL REVENUE

Rental revenues represent all tenant rents paid in the public housing units and all MHA non-HUD units in addition to the rents generated from MHA's commercial leases. Interest revenues are budgeted at a steady rate. Federal financial assistance from HUD of \$14.5 million includes \$11.5 million in Housing Assistance Payments for the Section 8 and tenant based program clients, \$1.7 million in public housing operating subsidies and the remainder in various capital grants and other resident program grants. Other income and contributions of \$381,141 consist mainly of service charges and late payment charges to tenants, MHA Partnerships' management fees and ground lease revenues.



WHERE THE MONEY GOES – ALL EXPENDITURES

On the expense side, lease payments to Section 8 landlords account for 62% of total expenditures. Administrative expenses include administrative salaries and costs of administrative supplies and services in all programs. Utility expenses paid by MHA for the public housing units and for the MHA facilities are budgeted at \$1,034,607 for FY2017. Maintenance expenditures account for the maintenance staff's salaries, maintenance material costs and other maintenance related vendor contracts. The 2017 budget increased maintenance expenses by 12% for the year.



General expense of \$482,468 is comprised of insurance costs and payment in lieu of taxes payments. Development and capital investment budget of \$1,032,327 account for the additions and betterments to MHA's real estate assets. The 2017 budget for real estate development activities is 31% higher than 2016 reflecting an increase of development activities for 2017.

FEDERAL BUDGET FOR 2017

As with most other housing authorities the majority of MHA's operating and capital funding comes from federal dollars provided by HUD in the form of Operating Subsidies, Capital fund grants and Section 8 housing assistance payments. As of this writing, the Federal government has not approved the 2017 budget.

Congress approves \$1.1 billion spending bill to combat Zika
The Washington Post (9/28, Debonis) reports Congress "staved off an Oct. 1 government shutdown Wednesday, passing a stop gap spending measure after House Republicans agreed to address the drinking-water crisis in Flint, Mich., removing a major obstacle in negotiations." The bill "extends current government funding levels until early December, giving appropriators time to negotiate 2017 spending measures."

The AP (9/28, Taylor) reports Congress "sent President Barack Obama a bill to...provide \$1.1 billion in long-delayed funding to battle the Zika virus." The AP adds, the House "cleared the measure by a 342-85 vote just hours after a bipartisan Senate tally."

2016 ACCOMPLISHMENTS

Before discussing our upcoming priorities, I would like to highlight a few of our team's accomplishments for 2016. They are as follows:

- Successfully entered into contracts with Rental Assistance Demonstration (RAD) developers.
- Submitted RAD financing plans, which is the first major milestone in the RAD financing process.
- Successfully secured 4% Tax Credit awards and a bond allocation both to finance and rehab Cumberland Towers, Parris Towers and Powell Towers.
- Increased workflow efficiency and accuracy with the aid of converting to a new software that produces useful reports and automates department functions.
- Received, for the third consecutive year, the 2016 *Distinguished Budget Presentation Award*. A National award from the Government Finance Officers Association (GFOA).
- The finance team all received certifications for HCV Financial Accounting & Reporting Specialists.
- Updated MHA's Website to include accessible electronic forms.
- Implementing a new phone system agency wide.
- Achieved 96% occupancy rate for 2016 portfolio wide.
- Added homeless preference which included participation in the CATCH board meetings.
- Provided LIHTC training opportunities for all MHA staff.
- Received \$228,107 Jericho Grant from HUD to support the homeless.
- Partnered with ADFA to administer Tenant Based Rental Assistance (TBRA) funds of \$500,000.
- Improved compliance with inspections by automated scheduling, outsourcing annual inspections and increased monitoring of the internal compliance of policies and procedures.
- MHA's Employee Health & Wellness Program is continuing to thrive since its implementation last year.

PROPOSED 2017 PRIORITIES

MHA's mission to serve the residents of Little Rock by developing, owning, and operating safe, decent and affordable housing in a manner that promotes thriving communities, while staying within MHA's anticipated revenue sources remains steadfast. Another priority is to continue along the path of becoming more entrepreneurial in our efforts to increase non-HUD revenues through partnerships with other entities. MHA has established key partnerships that will further advance our entrepreneurial endeavors. Every effort was made during this budget process to operate more efficiently and effectively in the upcoming year. This included requiring balanced budget submittals from each property, establishment of a fee-for-service budget for the Central Office, and a continuous cost analysis of centralized services and operations. Ensuring long-term fiscal stability, preserving key assets and improving quality of life for MHA residents continue to be the key goal of MHA's budget process.

The Authority has been operating from a perspective to simply meet our mission by utilizing business efficiencies in the midst of federal funding challenges. However, with many challenges behind us, we are proposing following strategic objectives:

PROPOSED 2017 STRATEGIC OBJECTIVES

Customers/Stakeholders Perspective	Financial Perspective
Increase Customer Satisfaction	Increase Revenue
Improve Customer Service	Decrease Expenses
Improve Partner Relationships	Create Entrepreneurial Opportunities
Business Processes Perspective	Organization Capacity Perspective
Increase Resident Self-Sufficiency	Improve Teamwork
Improve Communication	Improve Housing Assets
Improve Cost Controls	Increase Housing Opportunities
Improve Operational Efficiency	Improve Recruitment, Selection and Retention
Increase Innovation	Improve Knowledge, Skills and Abilities
Increase Green Opportunities	Enhance Technology Tools

IMPACT OF HUD FUNDING CUTS

The Public Housing and Section 8 Vouchers programs have both been underfunded at various times for the majority of the past decade. To cope with funding cuts, many housing authorities continue to experience the inability to increase pay, concessions, and layoffs and reduction in services to tenants. Elimination of services affects the public housing residents, mainly children, elderly and disabled. Despite the tight budget environment over the past two years, MHA has maintained a balanced budget, by restructuring its workforce and operating below the projected operating subsidy levels. By being fiscally responsible, the agency was able to realize a surplus FYE 2016.

For 2017, MHA estimates the public housing program operating subsidy to be funded between 85%-89%. HUD is expected to fund all Section 8 Housing Choice Vouchers at 100% of cost. Section 8 administrative fees for 2017 are not projected to be underfunded at this time. In order to ensure housing agencies had sufficient funds to renew vouchers at their average leasing levels and costs during calendar year 2016, federal legislation in 2016 directed HUD to provide supplemental funds for agencies assisting more families at the end of 2016 or early 2017 than over calendar year 2016, on average; it also set aside a portion of renewal funds for this purpose. The provision allowed MHA to receive additional administrative fees in 2016 to administer the Section 8 Housing Choice Voucher Program.

MHA's strategy to manage decreased federal funding continues to be; limit hiring, strategically reduce non-routine maintenance, apply for alternate funding sources (i.e. resident service driven grants), and employ creative, mixed-finance capital developments to maintain and expand its affordable housing portfolio. Going forward, MHA will continue to identify methods of becoming more self-sufficient.

CHOICE NEIGHBORHOOD GRANTS

The Metropolitan Housing Alliance (MHA) received a Choice Neighborhoods Planning Grant of \$300,000 in 2012. MHA and its partners completed the Planning Grant process and provided the final deliverable, a Transformation Plan, to HUD in January 2014. The Transformation Plan contains strategies of redevelopment in each of the core areas that were informed by the Choice Neighborhood Planning Grant.

As stated during our 2014 Budget process, in order to pursue the 2015 Choice Neighborhood Implementation (CNI) Grant staff believes the cost will range from \$100,000 - \$300,000 for the completion of the CNI application. The cost includes hiring executive staff to oversee and pursue bank and of tax credit financing, tax credit consultants, lawyers, land acquisition and other related real estate development costs. This information is based on the requirements of previous CNI Grants since funding for the 2017 CNI cycle has not been finalized.

The Choice Neighborhoods Implementation Grant is a separate grant that funds or brings to life the Transformation Plan. It requires an application submission, includes predevelopment costs, and proof of two (2) demonstrations of comprehensive developments (engaging housing, neighborhood, and people developments simultaneously) from all leading entities involved. Currently, the federal government has not released a Notice of Funds Available (NOFA) for Choice Neighborhoods Implementation Grants because the federal budget has yet to be completed.

Another important point of consideration is the leverage requirement for maximum scoring on the CNI Grant Application. The following amounts below depict the most competitive figures possible based upon the funding amount to be requested by MHA from HUD. The goal of the grant to collect and/or create said leverage with Choice Neighborhood partners in order to meet the minimum grant requirements.



OPTION 1:

OPTION 2:

OPTION 3:

OPTION 4:

Funding Amount Requested	\$12,000,000	\$15,000,000	\$20,000,000	\$30,000,000
Housing Leverage Required	\$36,000,000	\$45,000,000	\$60,000,000	\$90,000,000
People Leverage Required	\$7,714,286	\$9,642,857	\$12,857,143	\$19,285,714
Neighborhood Leverage Required	\$7,714,286	\$9,642,857	\$12,857,143	\$19,285,714
Total Fiscal Impact	\$63,428,572	\$79,285,714	\$105,714,286	\$158,571,429

The U.S. Department of Housing and Urban Development (HUD) created the Choice Neighborhoods Initiative (CNI) as a comprehensive approach to neighborhood transformation supported by locally driven strategies to address public or HUD-assisted housing by addressing three core elements: housing, neighborhood, and people. The Choice Neighborhoods Initiative is comprised of two grants: Choice Neighborhoods Planning Grant and Choice Neighborhoods Implementation Grant.

RENTAL ASSISTANCE DEMONSTRATION (RAD)

The U.S. Department of Housing and Urban Development (HUD) Rental Assistance Demonstration (RAD) allows public housing agencies (PHAs) and owners of HUD-assisted properties to convert units to project-based Section 8 programs, providing an opportunity to invest billions into properties at risk of being lost from the nation's affordable housing inventory. With RAD, units move to a Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the units remain permanently affordable to low-income households. The RAD program is cost-neutral and does not increase HUD's budget. This program simply shifts units from the Public Housing program to the Section 8 program so that providers can leverage the private capital markets to make capital improvements.

Under the 1st component of RAD, PHAs can choose to convert units at individual properties or units at all of their properties. MHA chose to take a comprehensive approach to addressing its capital improvement needs by submitting a portfolio-wide RAD application. In February 2015, MHA was awarded a Commitment to enter into a Housing Assistance Payment (CHAP) for 9 properties, covering 787 public housing units.

Site	Public Housing	Tax Credit	Market	Total
Jesse Powell Towers	168	N/A	N/A	168
Cumberland Towers	178	N/A	N/A	178
Fred Parris Towers	250	N/A	N/A	250
Madison Heights Phase I	59	35	46	140
Madison Heights Phase II	38	45	18	101
Madison Heights Phase III	20	28	12	60
Cumberland Manor	17	25	18	60
Metropolitan Village	17	25	18	60
Homes at Granite Mountain	40	12	0	52
	787	170	112	1069

*Public Housing units at Mixed-Finance sites are Tax Credit units.

MHA made substantial progress toward achieving CHAP milestones in 2016 beginning with the selection of RAD development partners Gorman & Company (Gorman) and The ITEX Group, LLC (ITEX). Gorman works to revitalize communities through innovative housing partnerships. Gorman specializes in downtown revitalization, the preservation of affordable housing, workforce housing, and the adaptive reuse of significant historic buildings. ITEX specializes in development, investment, and management. ITEX provides a full range of services to its partners and owners including investment analysis, property management, asset management, development, acquisitions/dispositions, construction supervision, leasing/marketing, accounting, and REO/Receivership.

Cumberland, Parris, and Powell Towers (Towers Project) were assigned to the Gorman team. After close collaboration among MHA, Gorman, and other strategic partners, tax credit applications were submitted for each of the three towers in July 2016. In September 2016, the

Towers Project was awarded 4% low-income tax credits and a \$32 million bond reservation to support the rehabilitation effort. During the fourth quarter of 2016, MHA and Gorman will firm up additional financing sources and engage in design sessions to refine the vision for the Towers Project. The financial closing is expected to occur Spring 2017, with construction commencing shortly thereafter.

Madison Heights Phases I, II and III and Homes at Granite Mountain, all tax credit properties, were assigned to ITEX. A low-income housing tax credit transaction with a PHA is typically structured to include a right of first refusal and an option to purchase for the PHA. The option is available at or near the end of the initial 15-year tax credit compliance period. MHA acquired Homes at Granite Mountain in December 2015, the final year of the property's initial 15-year compliance period. Purchase options are currently available to MHA on Madison Heights Phases I and II. In conjunction with the RAD conversion, MHA plans to exercise the purchase options, which will allow MHA to purchase the assets without the premium generated by the higher RAD rents. In addition to the acquisitions, MHA's RAD conversion strategy includes a plan to

consolidate the re-syndication of the tax credits and the rehabilitation of Madison Heights Phase I, Madison Heights Phase II, and Homes at Granite Mountain into a single 4% low-income tax credit, tax-exempt bond transaction. The financial closing is expected to occur Spring 2017, with construction commencing shortly thereafter.

Madison Heights Phase III does not require substantial initial rehabilitation costs to execute the RAD transaction. This enables MHA to structure this RAD transaction as a 'straight' RAD conversion. This means the initial capital investment at closing is limited to funding the initial replacement reserves and soft costs, such as physical condition assessments, environmental, legal, and related costs. The financing plan also includes annual reserve contributions sufficient to cover the 20-year capital needs of the property. MHA does not plan to exercise the purchase option at this time on Madison Heights Phase III, however, MHA plans to acquire the General Partner interest in conjunction with the RAD conversion. MHA plans to exercise its purchase option in 2019 and recapitalize the property at that time.

Similar to Madison III, Cumberland Manor and Metropolitan Village will not require initial rehabilitation to execute the RAD conversion. Financing Plans for them were submitted to HUD in July 2016. The RAD closings for Madison Heights Phase III, Cumberland Manor, and Metropolitan Village are expected to occur in the first quarter of 2017.

As alluded to earlier, a key component of RAD is the 20-year capital needs assessment. The assessments cover critical repair needs, short- and long-term rehabilitation needs, market comparable improvement, energy efficiency, unmet physical accessibility requirements, and environmental concerns. Each RAD transaction will address the 20-year capital needs of the targeted development through a combination of initial rehabilitation investment and annual replacement reserve deposits. Total project costs for these nine RAD projects are currently projected at approximately \$96.5 million and are detailed by project in the following chart.

Site	Total Project Costs
Jesse Powell Towers	\$ 14,077,547
Cumberland Towers	\$ 13,777,019
Fred Parris Towers	\$ 19,478,850
Madison Heights Phase I	\$ 20,627,610
Madison Heights Phase II	\$ 17,004,603
Madison Heights Phase III	\$ 175,000
Cumberland Manor	\$ 175,000
Metropolitan Village	\$ 175,000
Homes at Granite Mountain	\$ 11,017,435
	\$ 96,508,064

The entire RAD conversion process will take several years to complete.

It has been a pleasure providing you this proposed budget document and I look forward to assisting you as needed for final approval in December.

Respectfully,

Rodney L. Forte
Executive Director/CEO

VISION/GOALS

VISION

MHA's vision is that every individual or family shall have quality and affordable housing, in communities offering empowerment, economic opportunity, and a vibrant living environment.

MISSION STATEMENT

MHA's mission is to serve the residents of Little Rock by developing, owning, and operating safe, decent and affordable housing in a manner that promotes thriving communities.

VALUES

- **Respect**

We treat tenants, employees, Board of Commissioners, and the public with a high level of respect.

- **Honesty**

We promote and encourage the highest level of ethics within the city and community.

- **Teamwork**

We promote a cooperative working relationship among tenants, employees, Commissioners, and external partners because; we are all members of a team striving to improve housing and economic opportunities in our community.

- **Integrity**

We conduct our internal and external affairs with impartiality and equity. We strive to "do the right thing", even when it is difficult.

- **Diversity**

We embrace the personal and cultural variations that enrich our community.

- **Excellence**

By utilizing the creativity and innovation of staff, board and tenants, we shall continue to lead the nation in providing high quality housing and tenant services.

MHA's Capital Improvement Plan (CIP) Process

MHA's rental housing portfolio of 1,201 units consists of 902 public housing units, 299 LIHTC partnership units and administers over 2,262 based Section 8 units.

The 299 LIHTC Partnership units were constructed during the last 12 years and per partnership agreements with LIHTC partners, these units are required to have replacement reserve accounts which are used to address capital needs of these Partnership units. These Partnership units are a mix of public housing units, low-income tax credit units and market rate units.

MHA's public housing inventory of 902 units is all traditional public housing units built mostly in the 1950s and 1960s. HUD provides capital grant dollars on an annual basis for the upkeep of these units. The capital grant funding is provided by HUD based on a formula, which provides approximately \$984.00 per unit per year. MHA, like all other PHAs has to submit a five-year capital improvement plan to HUD on an annual basis. Due to the extremely limited amount of available capital grant dollars, MHA usually selects a housing project most in need to do comprehensive modernization. During 2010, MHA conducted a comprehensive physical needs assessment of its entire public housing portfolio and is continually prioritizing the physical needs. A plan to update the needs assessment every four years transpired an assessment in 2016. MHA will use this assessment to stay in line with capital needs and potential investments.

The project base vouchers of the MHA Section 8 units are scattered within the NSP 2 boundaries: over 1900 units are privately managed and 6 units in the MHA portfolio and 79 units in the Mixed Finance portfolio.

In essence, the MHA units receiving the comprehensive physical needs assessment in 2010 has attributed to capital improvement for the debt restructuring program. Ultimately this will include RAD, which is expected to provide additional capital improvement dollars for the portfolio.

MHA's 2017 Capital Improvement Plan is described later in this document under the section "Capital Budgets."

FINANCIAL MANAGEMENT POLICIES

FINANCIAL MANAGEMENT POLICIES

The following financial policies and procedures define the fiscal responsibilities of MHA and guide staff by providing a framework to conduct their MHA activities.

Reporting Entity

MHA is a quasi-municipal corporation. MHA's five member Board of Commissioners is self-perpetuating. MHA is a legally separate entity from the City of Little Rock. MHA is not considered a component unit of the City of Little Rock, but share a great partnership with the city.

Fiscal Year

The fiscal year for Little Rock Housing Authority and its instrumentalities shall begin on January 1 of each calendar year and will end on December 31 of the same calendar year.

Balanced Budget Policy

The operating budget will be balanced with current revenues. Current revenues shall be budgeted to be sufficient to support current expenditures. The Board of Commissioners, MHA's governing body, adopts the annual budget by Resolution. MHA's Budget document is published and available to the public on MHA's website at www.mhapha.org.

Budget Adoption

Budgets are adopted on a basis consistent with generally accepted accounting principles. MHA is not legally required to adopt budgets. However, MHA has contractual requirements to adopt budgets for each HUD program. The Central Office Cost Center (COCC) budget does not require Board approval, by HUD regulations. The fees earned by the COCC are considered to be non-federal funds. This de-federalized income stream is governed by the Board of Commissioners. MHA's governing body, The Board of Commissioners, by resolution, adopts the annual budget. All annual budgets lapse at year-end. Multiyear budgets for capital projects are adopted for the length of the project and are annualized for annual operating budget adoption.

Budget Reporting and Monitoring Policy

Financial systems have to be maintained to monitor MHA's revenues and expenditures. Monthly reporting of the status of budget versus actual has to be provided to the MHA Board as well as to MHA managers. Fund level is the formal level of budgetary control for MHA. To ensure proper monitoring of the budget, an encumbrance function is set up for purchase orders. The Finance Division signs off on all Accounts Payable Vouchers for availability of funds after an on-line check of the account.

FINANCIAL MANAGEMENT POLICIES

Budget Revision Policy

The staff with this budget proposes the following related to Budget amendments. Staff proposes that revisions are handled with budget revisions with four different levels of approvals based on the type of revision, modification, adjustment, or change. In all cases, a budget revision request is submitted for approval to the appropriate authorization level as shown below. Upon approval, the request is submitted to the Finance Office and posted to the financial records of MHA.

Board of Commissioners (by resolution) –

- 1) Appropriation of the use of MHA's operating reserves
- 2) Formal budget revisions if required by HUD
- 3) New personnel request
- 4) Budget items that exceed 15% of the overall approved revenue

Executive Director –

- 1) Adjustments that affect more than one program/division within MHA
- 2) Adjustments that exceed 10% of the authorized line item for all departments

Division Chiefs –

- 1) Adjustments within their division (that affect more than one department)

Directors –

- 1) Budget changes within their department.

Managers –

- 1) Budget changes within their own department.

Grant Budgets

For Capital fund grants, the Housing Management Division in collaboration with the MHA public housing resident groups and the MHA's related division chiefs prepare the required budgets. These budgets are then approved by HUD and appropriate funding is loaded by HUD into HUD's Line of Credit Control System (LOCCS) for MHA. Funds are then accessed from the LOCCS system by the Budget Office in the Finance Division. Revisions to the budgeted line-items, which exceed a certain threshold, are sent to HUD for approval. These grants are normally multi-year grants. All resident related grants are prepared and controlled by the MHA's Resident Community Services department.

FINANCIAL MANAGEMENT POLICIES

Operating Reserve Policy

The MHA will maintain adequate operating reserves in each of its programs. The MHA shall strive to maintain Low Rent Operating reserves at the level of required to receive maximum PHAS scoring. Only the MHA Board can approve the use of operating reserves for any ongoing operating expenditure.

Financial Reporting Policy

The MHA's accounting and financial reporting systems will be maintained in conformance with Generally Accepted Accounting Principles (GAAP) as applicable to governments. An annual audit will be performed by an independent accounting firm, which will issue an opinion on MHA's Comprehensive Annual Financial Report (CAFR). The independent auditors will present their audit to the MHA Board's Audit Committee. MHA's Audit Committee is the same as its Budget and Finance Committee. The CAFR will be submitted to the Government Finance Officers Association (GFOA) for the Certificate of Achievement for Excellence in Financial Reporting Award.

Audit Policy

MHA is audited annually by an independent national accounting firm. MHA's audited financial statements are published and available to the public on MHA's website at www.mhapha.org. MHA's independent auditors have consistently given an unqualified audit opinion since 1992.

Investment Policy

Federal Statutes authorize investment of excess federal funds in instruments issued or guaranteed by the federal government. MHA has adopted this policy for all invested funds. The types of investments, which are authorized to be made with MHA funds, are controlled by State statutes and contracts with HUD.

MHA invests funds in a manner, which will provide the highest investment return with the maximum security. All investments must have maturities less than three years and no more than 30% of the total portfolio may be invested over one year. Permissible investments include obligations of the U.S. Government, obligation of the U.S. Government agencies and instrumentalities, Certificate of Deposits issued by Commercial banks and savings and loan institutions, repurchase agreements, investment pools approved by the State of Arkansas, and money market mutual funds comprised solely of United States Government securities.

The State of Arkansas's Public Deposit Protection Act (PDPA) precludes MHA from requiring banks to hold securities in MHA's name. MHA deposits are subject to and in accordance with the PDPA. Under this act, all uninsured deposits are fully collateralized. The eligible collateral pledged is held in custody by any Federal Reserve Bank, or branch thereof, or held in escrow by some other bank in a manner prescribed by rule and regulation, or is segregated from other trust department securities. All collateral so held must be clearly identified as being securities maintained or pledged for the aggregate amount of public deposits accepted and held on

FINANCIAL MANAGEMENT POLICIES

deposit by the eligible public depository. The depository has the right at any time to make substitutions of eligible collateral maintained or pledged and must at all times be entitled to collect and retain all income derived from those investments without restriction.

Debt Issuance Policy

MHA is authorized by State Statute to issue tax-exempt revenue and special obligation bonds to fund any of its corporate purposes. Obligations of MHA are not obligations of the City or of the State. Therefore, a bondholder's recovery is limited to the funds of the MHA. All MHA bond issues have to be authorized by Board resolution and Arkansas Revised Statute limits the maturity term of these bonds to sixty years. The bonds can be sold at private or public sale. It is MHA's policy not to issue long-term debt to support current operations. MHA does not have any legal debt limits. MHA does not have or intend to issue debt in the year 2015.

Personnel Policy

Among other things, MHA's Personnel policy has provisions on staff's vacation accruals, sick leave accruals, annual pay increases, and pension plan contributions. These policies were taken into account in the preparation of this budget.

Write-off Policy

Tenant Accounts Receivable owed to MHA by residents who have moved out of MHA units for more than sixty days are written off quarterly. Writing-off uncollectable tenant accounts receivable from MHA's accounting records does not affect the tenant's liability to MHA or MHA's efforts to collect the liability.

Materials Salvage

MHA has a salvage policy, which authorizes and controls the disposition of materials and property, which prevents unauthorized disposition of MHA property and MHA materials and abides by all applicable laws and regulations.

Inventories

Inventories are expensed when used rather than when purchased. Inventories are maintained at each property.

Capitalization Policy

Capital assets are carried at historical cost. Maintenance and repairs are charged to current period operating expense and improvements are capitalized. Upon retirement or other disposition of property and equipment, the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses are recognized. All MHA equipment purchases over \$1,000 are capitalized.

FINANCIAL MANAGEMENT POLICIES

Capital Projects

Capital projects are defined as improvements or construction of capital assets. It includes only major repairs, renovations or replacements that extend the useful operational life of the asset by at least five years or expands capacity of an existing facility.

Depreciation Policy

Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets, which are as follows:

Machinery and Equipment	5 years
New Construction of Buildings and Improvement	40 years
Rehabilitation/Acquisition of Buildings	20 years

Compensated Absences Policy

Regular, full time employees receive compensation for vacations, holidays, illness and certain other qualifying absences. The number of days compensated in the various categories of absence is based generally on the length of service. Compensated absences, which have been earned but unpaid per the MHA Personnel Policy, are budgeted as terminal leave under the general expenses category.

Accounts Payable Policy

MHA's Accounts Payable check run is scheduled weekly. Payments to Vendors are processed by the Finance Division. MHA's Accounts Payable Voucher policy and MHA's Procurement policy provide detailed guidelines to staff for the processing of payments to Vendors.

Payroll Policy

MHA's payroll is processed on a bi-weekly basis at MHA. The MHA Personnel Policy guidelines are applied for the processing of MHA payroll.

Tabor Amendment

Article X, Section 20 of the Arkansas Constitution (the TABOR Amendment) was added to the Arkansas Constitution in 1992. It is a tax-limitation, spending-limitation, revenue- limitation, and debt-limitation amendment. By its terms, the TABOR Amendment applies to all “districts” defined to mean the “State or any local government, excluding enterprises.” An enterprise is an (i) government-owned business, (ii) authorized to issue it’s own revenue bonds, and (iii) receiving under 10% of annual revenues in grants from all Arkansas state and local governments combined. MHA meets this definition of an enterprise and, therefore, is exempt from the requirements of the TABOR Amendment.

Policy Compliance

All MHA’s policies are required to be compiled by Staff as applicable.

The financial structure of the Metropolitan Housing Alliance (MHA) is organized like other governmental entities with the use of funds, each of which is considered a separate accounting entity. Funds are set up with a self-balancing set of accounts to ensure that moneys are spent only for those specific activities that the funds are set up for. All of MHA's operations are accounted for as Enterprise Funds. MHA's component units are also accounted and budgeted as Enterprise funds.

MHA uses the following funds to manage its operations: Central Office Cost Center Fund, Low Rent Fund, Section 8 Program Fund and various Grant Funds. All fund budgets use the accrual method. Under this method, revenues are recorded when earned and expenses are recorded when incurred.

MHA's Comprehensive Annual Financial Report (CAFR) presents the MHA's financial activities on a Generally Accepted Accounting Principles (GAAP) method.

Basis of budgeting

The basis of budgeting for MHA is the same as the basis of accounting for all MHA funds with the following exceptions:

- Capital outlays are recorded as assets on a GAAP basis, but are considered as expenditures for budgetary purposes.
- Depreciation is recorded on a GAAP basis and is not recognized for budgetary purposes.
- Contributions to Replacement Reserves are considered as an asset reclassification on a GAAP basis, but recognized as expenditures for budgetary purposes.
- Allowance for obsolete inventory and tenant receivables are recorded on a GAAP basis, but are not recognized for budgetary purposes.

Description of MHA's Funds

All of MHA's funds are set up as Enterprise Funds.

COCC

- *Central Office Cost Center Fund* is a business unit within MHA that employs most of MHA's management and administrative staff. The COCC earns income from the fees that it is allowed to charge each of the AMP's along with other business activity, where applicable. The administrative functions accounted for in this fund include the following: Board of Commissioners, Accounting, Management Information Systems, Legal, Procurement, Personnel, Executive, General Services, Housing Operations Management, and Finance Administration.

LOW RENT PUBLIC HOUSING FUND

- *Low Rent Public Housing Fund* accounts for MHA's public housing program, which provides over 902 units of subsidized housing to low and moderate-income tenants. This program receives rents from tenants (which are 30% of their adjusted income) and HUD offsets the excess costs of operating these units by providing an operating subsidy to MHA. All capital grant funds MHA receives from HUD for public housing improvements are accounted in the Low Rent Fund.

LITTLE ROCK HOUSING PROGRAM FUND

- *Little Rock Housing Program Fund (LRHP)* accounts for operations of MHA's real estate development fee activities, low-income rental units, vacant land, and a homeownership program. DHP programs are not financed nor restricted by HUD.

SECTION 8 PROGRAM

- *Section 8* is a program funded by HUD that provides funds to low and moderate income families to rent units from private landlords. Within the Section 8 Program, HUD provides funding for Housing Choice Vouchers, Moderate Rehabilitation Program Vouchers, Disaster Assistance Vouchers, and Veterans Assistance Vouchers. The landlords who lease their units to eligible tenants in the Section 8 program collect rents from tenants (which are 30% of their adjusted income) and MHA through Housing Assistance Payments (HAP) from HUD. HUD is offsetting the landlords with the difference between tenant rent and fair market rents.

VARIOUS GRANT FUNDS

- *Various Grant Funds* – MHA receives a variety of grants from HUD, State and the City. All MHA grants irrespective of source are set up as Enterprise funds as per Generally Accepted Accounting Principles. MHA competes for HUD and non-HUD grants to support its resident self-sufficiency activities.

COMPONENT UNITS

Central Arkansas Housing Corporation (CAHC), an entity legally separate from the Authority, is governed by a three-member board. CAHC is a nonprofit organization created for the advancement of public housing needs.

Granite Mountain Senior Homes, L.P. was formed in May 2010 to acquire, construct and operate a 40 unit senior apartment complex in Little Rock, Arkansas. The Partnership is owned by the MHA, the general partner, Central Arkansas Housing Corporation, Inc., co-general partner, Hunt Capital Partners Tax Credit Fund 2011-4, L.P., limited partner.

Elm Street community Limited Partnership is for the purpose of owning and operating an apartment complex of 51 Units. The partnership was assigned to CAHC as the sole partner on January 8, 2014.

HA follows the cost principles set forth by Office of Management and Budget (OMB) Circular A-87, Cost Principles for State and Local Governments. This circular provides federal award recipients with a uniform approach to determining costs of federally funded programs.

MHA's CAFR shows fund expenditures and revenues on a GAAP basis. Monthly reporting to the MHA Board and managers are provided on all funds on a Budget basis for comparison purposes.

FUND SUMMARY

Fund Number

Fund Name

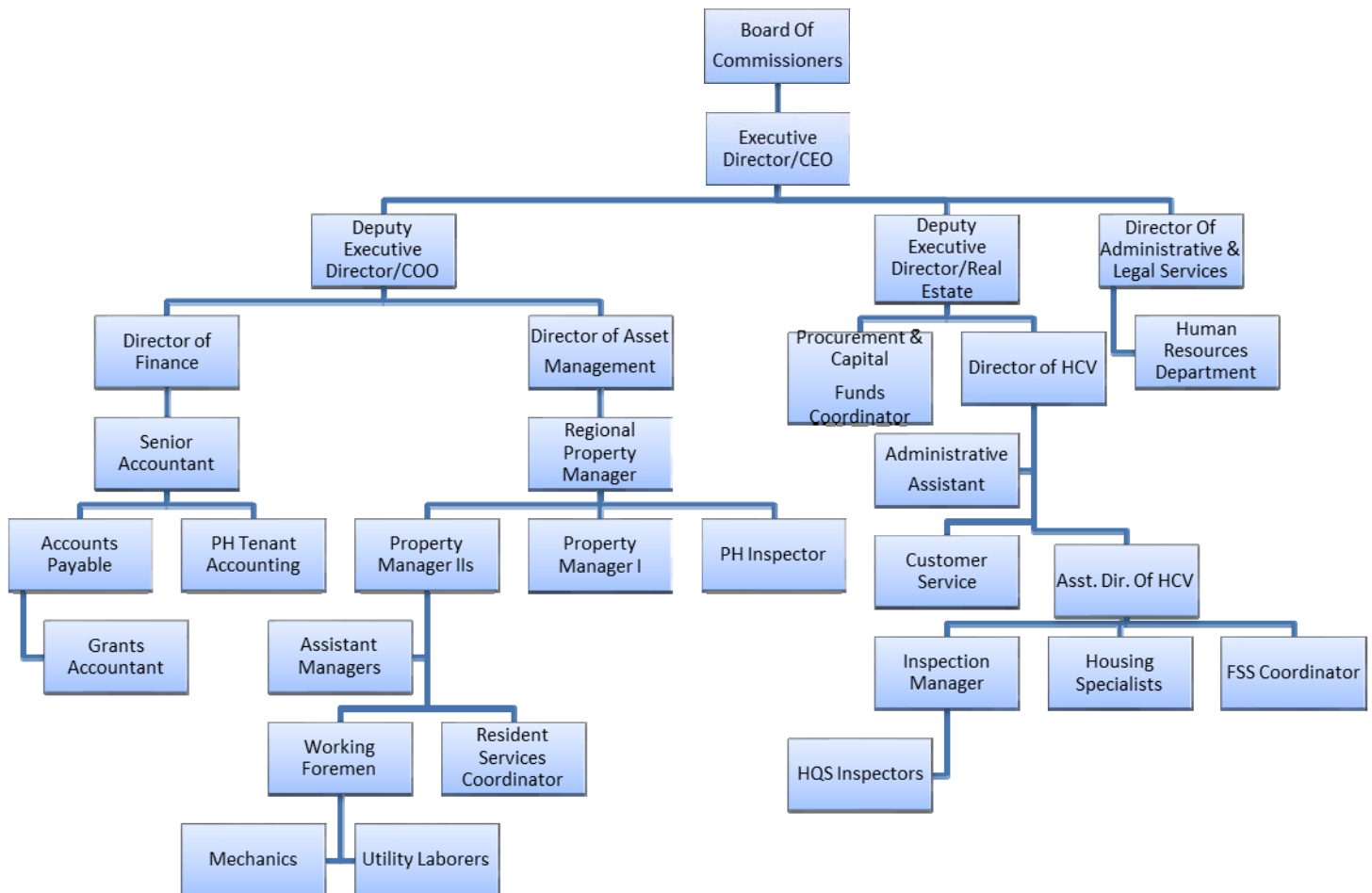
900	Central Office Cost Center Fund (COCC)
300	Low Rent (Public Housing) Program Funds
600	Section 8 Program Funds
400	Mixed Finance Funds
700	Development Grant Funds

ORGANIZATION CHARTS

METROPOLITAN HOUSING ALLIANCE

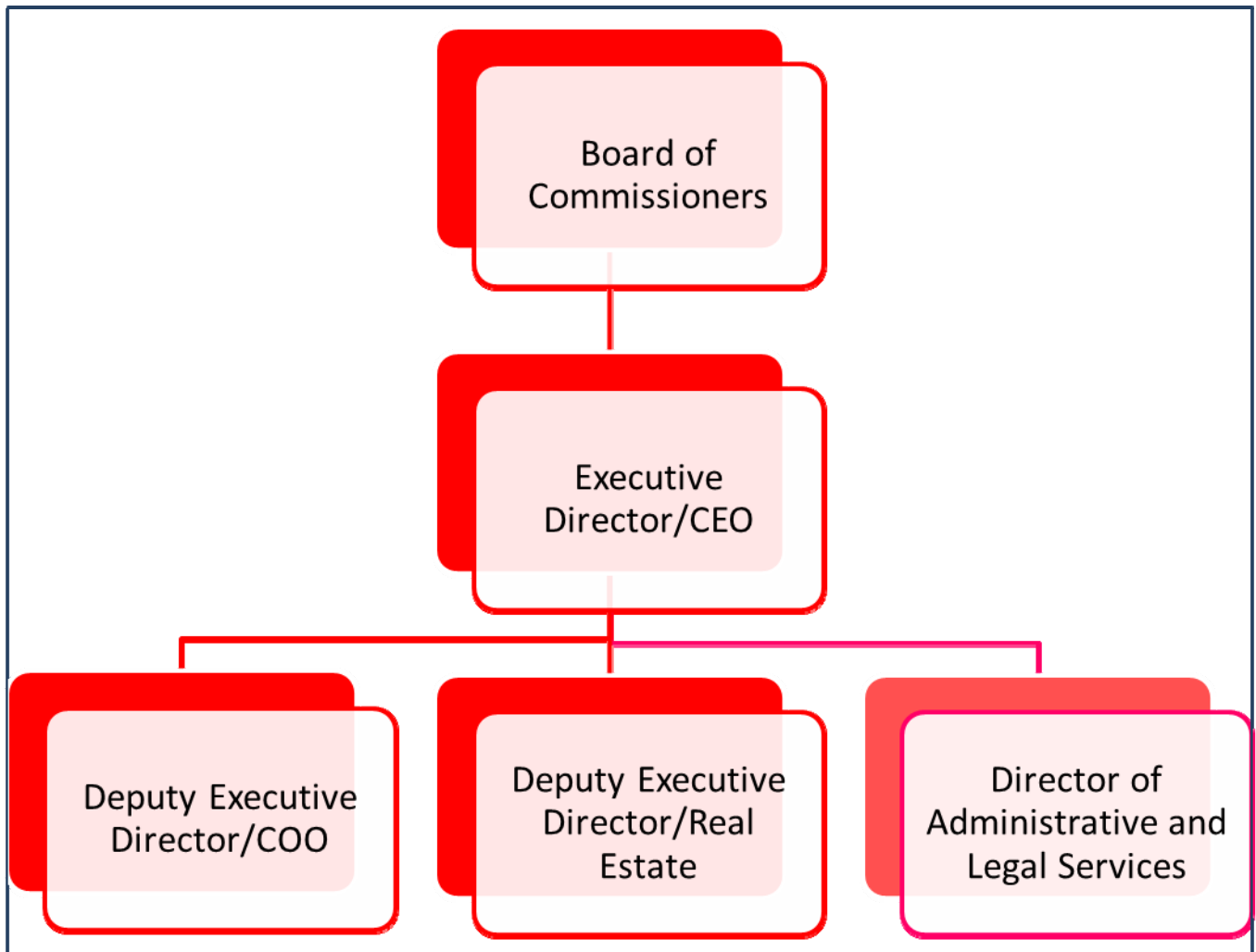
2017 ORGANIZATION CHART

MHA STRUCTURE



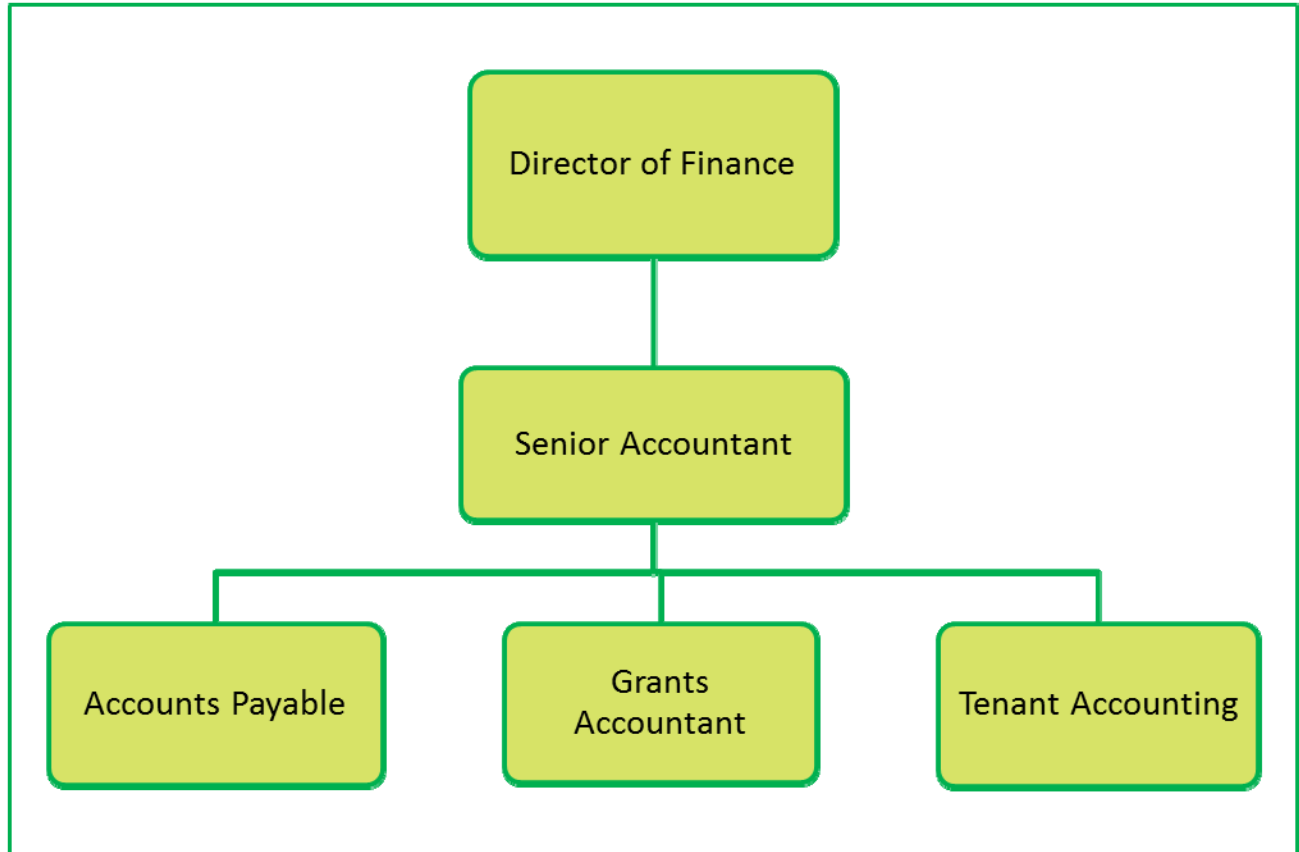
**METROPOLITAN HOUSING ALLIANCE
2017 ORGANIZATION CHART**

EXECUTIVE DIVISION

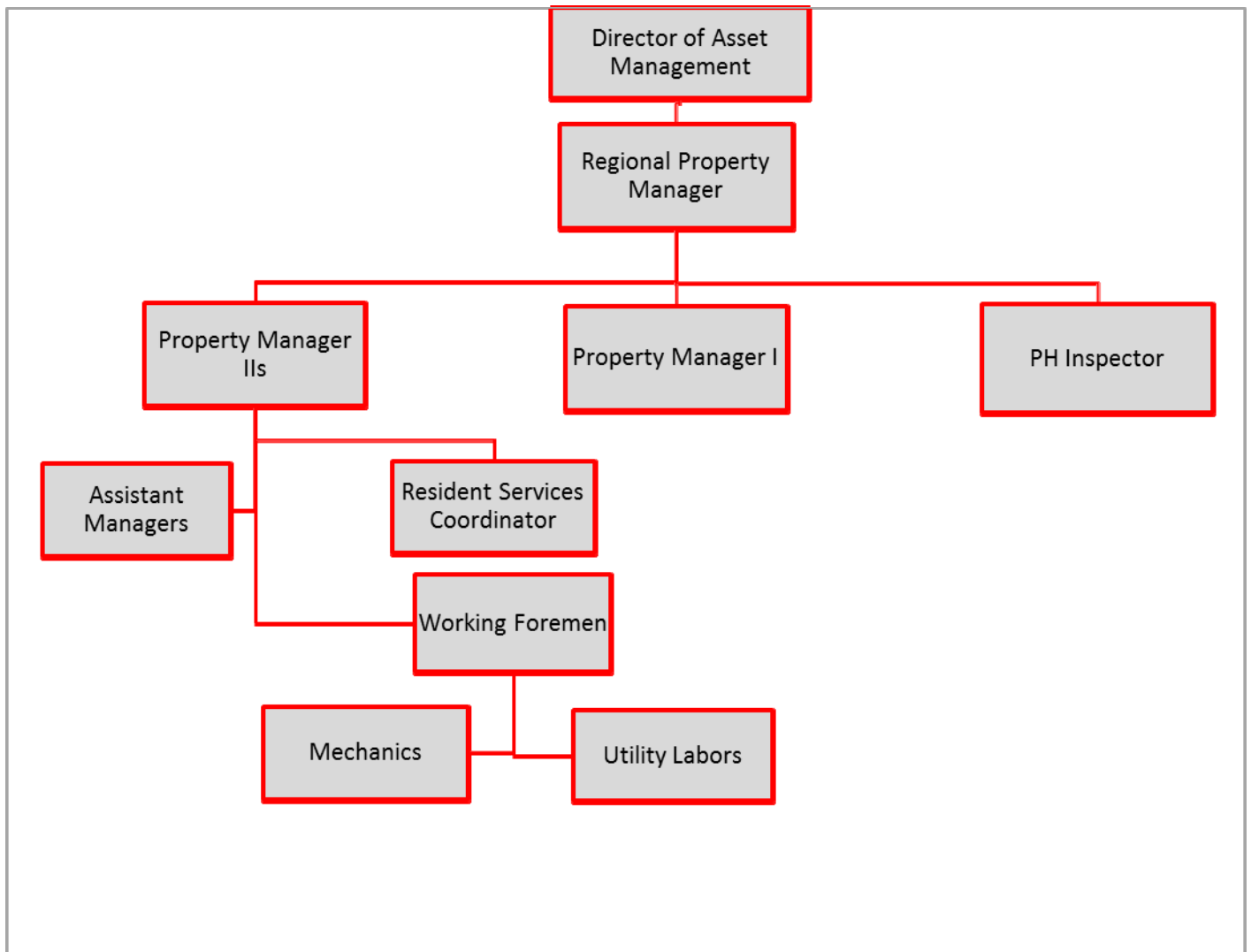


**METROPOLITAN HOUSING ALLIANCE
2017 ORGANIZATION CHART**

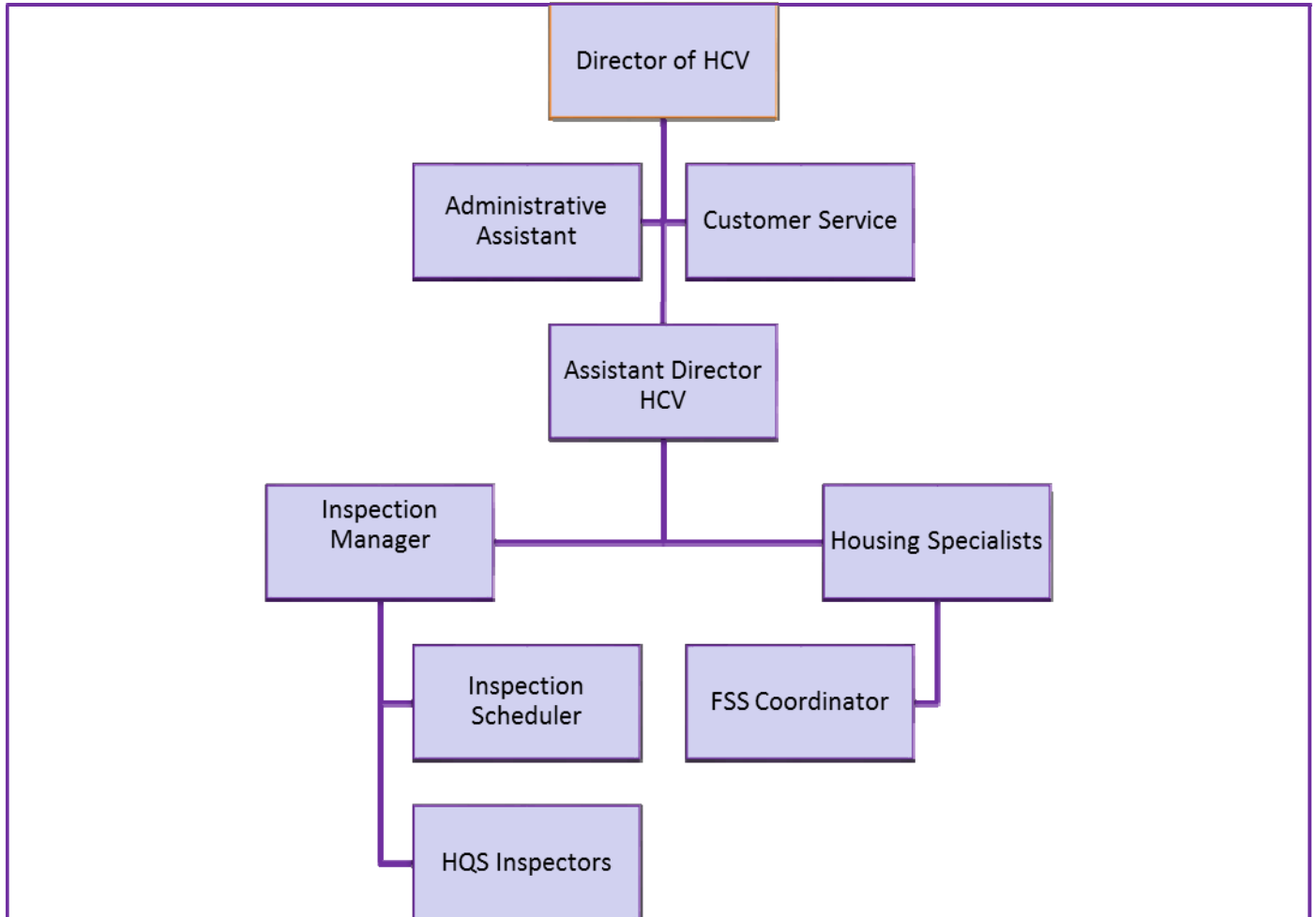
FINANCE DIVISION



METROPOLITAN HOUSING ALLIANCE
2017 ORGANIZATION CHART
HOUSING MANAGEMENT DIVISION

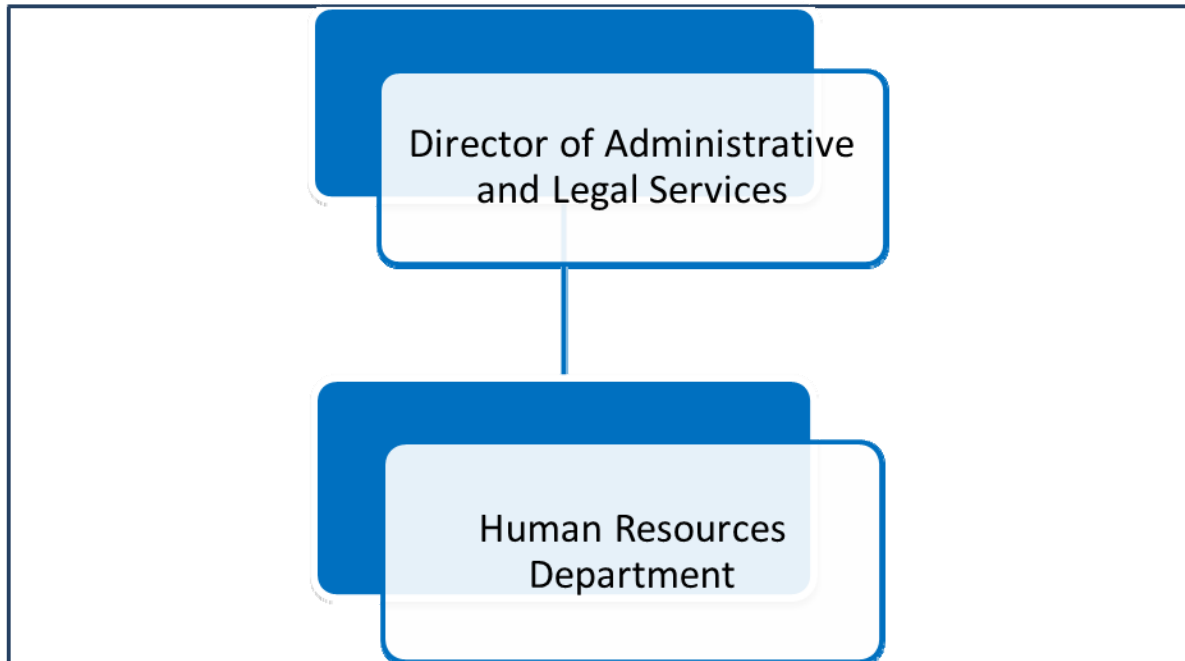


METROPOLITAN HOUSING ALLIANCE
2017 ORGANIZATION CHART
SECTION 8 DEPARTMENT



**METROPOLITAN HOUSING ALLIANCE
2017 ORGANIZATION CHART**

ADMINISTRATIVE SERVICES DEPARTMENT



STAFFING SUMMARY

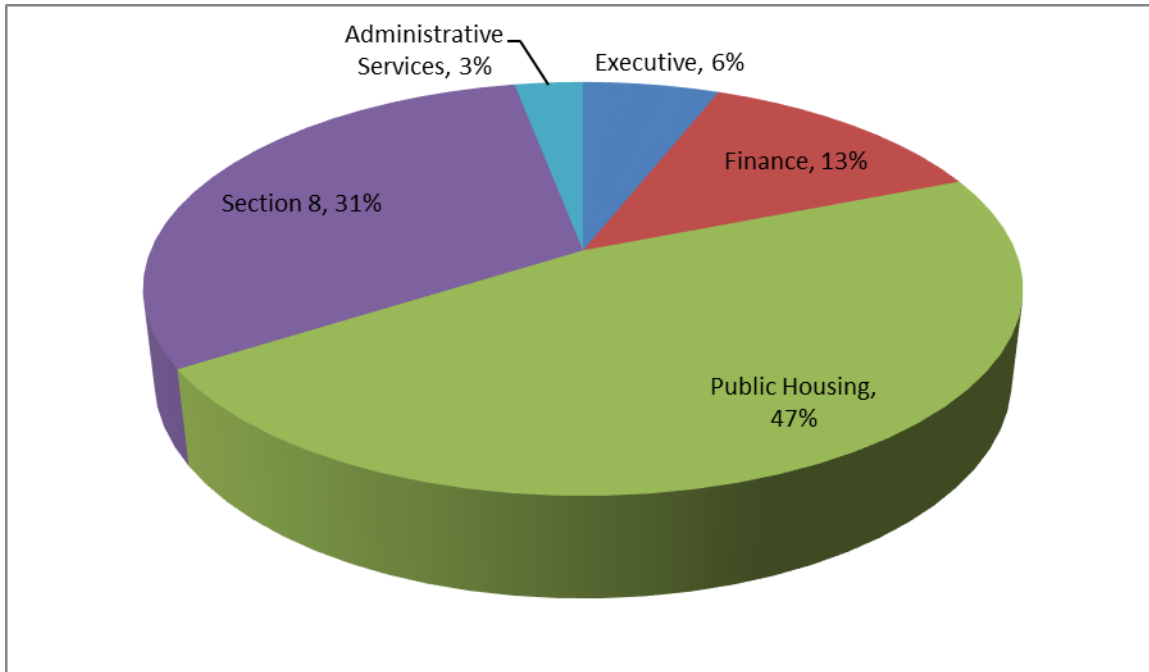
A comparison of MHA's staffing levels between years is provided below.

2014 - 2017 MHA STAFFING SUMMARY								
DIVISION/DEPARTMENT	2014		2015		2016		2017	
	R	T	R	T	R	T	R	T
EXECUTIVE	3	0	3	0	3	0	3	0
FINANCE	6	0	6	0	6	0	6	0
PUBLIC HOUSING	21	0	21	0	22	0	22	0
SECTION 8	11.5	0	11.5	0	14.5	0	14.5	0
ADMINISTRATIVE SERVICES	1.5	0	1.5	0	1.5	0	1.5	0
CHOICE NEIGHBORHOOD	1	0	1	0	0	0	0	0
TOTAL	44	0	44	0	47	0	47	0
R – Regular employee(s) T – Temporary employee(s)								

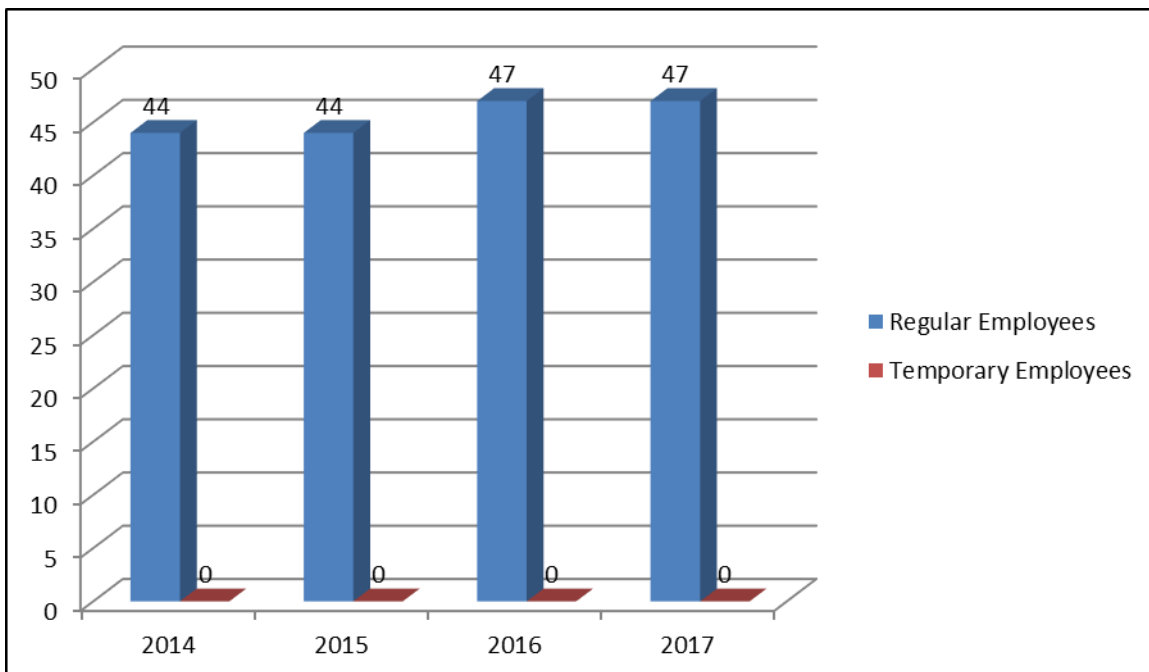
Staffing levels for the budgeted year of 2017 Added 3 positions from 2015.

2017 Staffing by Division

Percent of Total



Historical Staffing Summary



BUDGET SUMMARY

2017 BUDGET SUMMARY

COMPARATIVE SUMMARY OF TOTAL 2016 REVENUES AND EXPENDITURES

	2015	2016	2017	Increase (Decrease) From Prior Year	Increase (Decrease) From Prior Year
Revenues - All Sources	Budget	Budget	Budget		
Rental income	\$1,891,295	\$2,353,464	\$2,434,954	3%	81,490
Management/Other Fees	1,040,595	1,239,810	1,239,810	0%	0
Federal financial assistance	12,616,030	14,141,872	14,467,603	2%	325,731
Other income	442,203	446,348	381,141	-15%	(65,207)
Interest	12,000	9,500	9,500	0%	0
Use of replacement & operating reserves	161,601	164,392	342,553	108%	178,161
Total	\$ 16,163,724	\$ 18,355,386	\$ 18,875,561	3%	\$520,175
All Expenditures*					
Administration	\$2,405,442	\$2,671,044	\$2,761,000	3%	89,956
Tenant Services	79,413	79,693	84,543	6%	4,850
Utilities	791,025	974,347	1,034,607	6%	60,260
Maintenance	1,055,720	1,186,145	1,332,708	12%	146,563
Protective Services	332,752	444,147	510,848	15%	66,701
General	460,935	506,685	482,468	-5%	(24,217)
Rent to owners	10,046,175	11,550,000	11,550,000	0%	0
Operating/Replacement Reserves	214,857	152,670	87,060	-43%	(65,610)
Capital Outlay	777,405	790,655	1,032,327	31%	241,672
Total	\$ 16,163,724	\$ 18,355,386	\$ 18,875,561	3%	\$520,175

BUDGET SUMMARY

Reasons for major variances in the 2017 Budget:

Revenues:

No material variance in revenues. Federal financial assistance increased 3% due to additional public housing subsidy and additional Capital Fund Program. Additional use of reserve makes up the change in that category.

Expenditures:

Protective service contracts have been added to the public housing program to make up the 15% increase. Fewer funds have been budgeted for Operating/Replacement Reserves in the Public Housing program and will be used for Operating Expenses to make up the 43% variance.

COMBINING 2016/2017 BUDGETS

	COCC		Low Rent (Public Housing)		House Choice Voucher	
	2016	2017	2016	2017	2016	2017
REVENUES						
Operating						
Rental Income	\$0	\$0	\$1,837,000	\$1,830,000	\$0	\$0
Property Management Fees	733,000	733,000	0	0	0	0
Bookkeeping Fees	131,670	131,670	0	0	0	0
Asset Management Fees	0	0	0	0	0	0
Administrative Fees	0	0	0	0	1,135,743	1,135,743
Fees for Services	26,090	26,090	0	0	0	0
Developer Fees	0	0	0	0	0	0
Intergovernmental						
Operating Subsidy (HUD)	0	0	1,632,000	1,687,500	0	0
Contributions (HAP)	0	0	0	0	11,550,000	11,550,000
Contributions (Capital Fund)	84,711	111,828	0	0	0	0
Contributions (Other Grants)		0	0	0	0	0
Other	130,000	130,000	119,000	133,000	104,000	104,000
Interest (Investments)	7,000	7,000	0	0	2,500	2,500
Use of Operating Reserves	164,392	137,275	0	0	0	
Subtotal Operating	1,276,863	1,276,863	3,588,000	3,650,500	12,792,243	12,792,243
TOTAL REVENUES	\$ 1,276,863	\$1,276,863	\$ 3,588,000	\$3,650,500	\$ 12,792,243	\$12,792,243
EXPENSES						
Operating:						
Administrative	1,136,275	\$1,136,275	503,900	\$534,327	802,293	\$807,293
Central Office Fees	0	0	489,178	489,178	309,000	309,000
Tenant Services	0	0	79,693	84,543	0	0
Utilities	0	0	852,595	861,425	18,970	18,970
Maintenance	117,988	117,988	817,580	850,673	81,980	81,980
Protective Services	0	0	403,347	469,000	0	0
General	22,600	22,600	324,400	325,175	14,000	14,000
HAP/Rent to owners	0	0	0	0	11,550,000	11,550,000
Replacement/Operating Reserves	0	0	117,307	36,179	16,000	11,000
Capital Outlays	0	0	0	0	0	0
Subtotal Operating	1,276,863	1,276,863	3,588,000	3,650,500	12,792,243	12,792,243
TOTAL EXPENSES	\$ 1,276,863	\$1,276,863	\$ 3,588,000	\$3,650,500	\$ 12,792,243	\$12,792,243
NET INCREASE/(DECREASE) IN FUND BALANCE	\$0	\$0	\$0	\$0	\$0	\$0

COMBINING 2016/2017 BUDGETS

	Component Units		Total Before Interfund Eliminations		COCC Eliminations	
	2016	2017	2016	2017	2016	2017
REVENUES						
Operating						
Rental Income	\$516,464	\$604,954	\$2,353,464	\$2,434,954	\$0	\$0
Service Charges	0	0	\$0	\$0	0	0
Sale Proceeds	0	0	\$0	\$0	0	0
Property Management Fees	0	0	\$733,000	\$733,000	(629,543)	(629,543)
Bookkeeping Fees	0	0	\$131,670	\$131,670	(131,060)	(131,060)
Asset Management Fees	0	0	\$0	\$0	0	0
Administrative Fees	0	0	\$1,135,743	\$1,135,743	0	0
Fees for Services	0	0	\$26,090	\$26,090	(26,090)	(26,090)
Developer Fees	0	0	\$0	\$0	0	0
Intergovernmental						
Operating Subsidy (HUD)	8,316	0	1,640,316	1,687,500	0	0
Contributions (HAP)	0	0	11,550,000	11,550,000	0	0
Contributions (Capital Fund)	0	0	84,711	111,828	0	0
Contributions (Other Grants)	0	0	0	0	0	0
Other	93,348	14,141	446,348	381,141	0	0
Interest (Investments)	0	0	9,500	9,500	0	0
Interest (Other)	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
Operating Transfer In	0	0	0	0	0	0
Use of Operating Reserves	0	205,278	164,392	342,553	0	0
Subtotal Operating	618,128	824,373	18,275,234	18,543,979	(786,693)	(786,693)
TO TAL REVENUES	\$ 618,128	\$ 824,373	\$ 18,275,234	\$18,543,979	\$ (786,693)	\$ (786,693)
EXPENSES						
Operating:						
Administrative	\$130,407	\$159,792	\$2,572,875	\$2,637,687	\$0	\$0
Central Office Fees	0	0	798,178	798,178	(786,693)	(786,693)
Tenant Services	0	0	79,693	84,543	0	0
Utilities	102,782	154,212	974,347	1,034,607	0	0
Maintenance	168,597	282,067	1,186,145	1,332,708	0	0
Protective Services	40,800	41,848	444,147	510,848	0	0
General	145,685	120,693	506,685	482,468	0	0
Non-Routine	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0
Interest Expense	0	0	0	0	0	0
HAP/Rent to owners	0	0	11,550,000	11,550,000	0	0
Replacement/Operating Reserves	19,363	39,881	152,670	87,060	0	0
Capital Outlays	10,494	25,880	10,494	25,880	0	0
Development Costs	0	0	0	0	0	0
Operating Transfers Out	0	0	0	0	0	0
Subtotal Operating	618,128	824,373	18,275,234	18,543,979	(786,693)	(786,693)
TO TAL EXPENSES	\$ 618,128	\$ 824,373	\$ 18,275,234	\$18,543,979	\$ (786,693)	\$ (786,693)
NET INCREASE/(DECREASE) IN FUND BALANCE	\$0	\$0	\$0	\$0	\$0	\$0

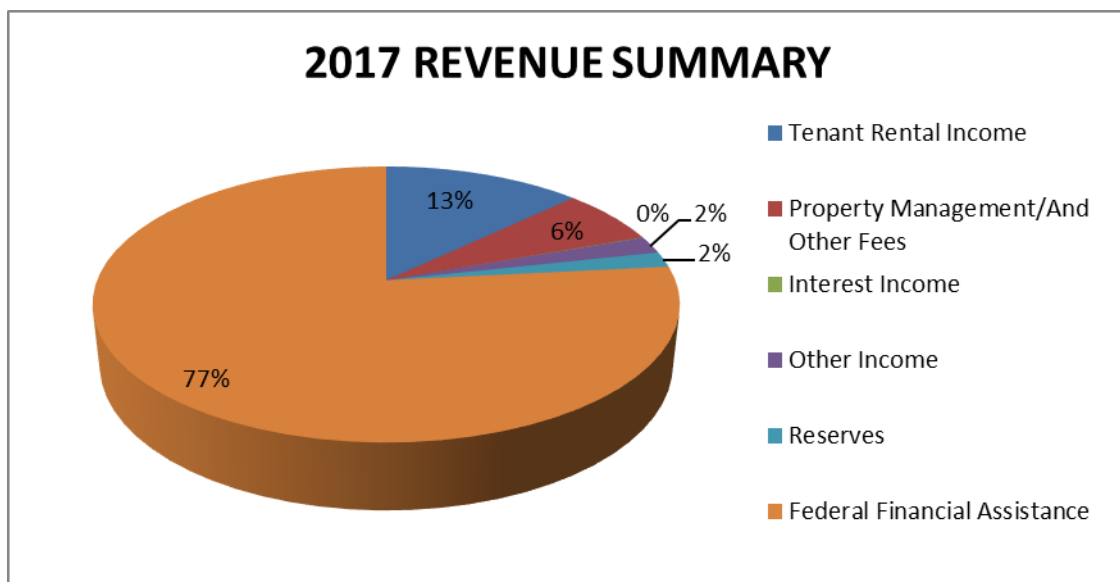
COMBINING 2016/2017 BUDGETS

	TOTAL OPERATING BUDGET		CAPITAL BUDGET		2016 TOTAL BUDGET	2017 TOTAL BUDGET
	2016	2017	2016	2017	2016	2017
REVENUES						
Operating						
Rental Income	\$2,353,464	\$2,434,954	\$0	\$0	\$2,353,464	\$2,434,954
Service Charges	0	0	0	0	0	0
Sale Proceeds	0	0	0	0	0	0
Property Management Fees	103,457	103,457	0	0	103,457	103,457
Bookkeeping Fees	610	610	0	0	610	610
Asset Management Fees	0	0	0	0	0	0
Administrative Fees	1,135,743	1,135,743	0	0	1,135,743	1,135,743
Fees for Services	0	0	0	0	0	0
Developer Fees	0	0	0	0	0	0
Intergovernmental						
Operating Subsidy (HUD)	1,640,316	1,687,500	0	0	1,640,316	1,687,500
Contributions (HAP)	11,550,000	11,550,000	0	0	11,550,000	11,550,000
Contributions (Capital Fund)	84,711	111,828	866,845	1,118,275	951,556	1,230,103
Contributions (Other Grants)	0	0	0	0	0	0
Other	446,348	381,141	0	0	446,348	381,141
Interest (Investments)	9,500	9,500	0	0	9,500	9,500
Interest (Other)	0	0	0	0	0	0
Capital Financing	0	0	0	0	0	0
Operating Transfer In	0	0	0	0	0	0
Use of Operating Reserves	164,392	342,553	0	0	164,392	342,553
Subtotal Operating	17,488,541	17,757,286	866,845	1,118,275	18,355,386	18,875,561
TOTAL REVENUES	\$ 17,488,541	\$17,757,286	\$ 866,845	\$ 1,118,275	\$ 18,355,386	\$ 18,875,561
EXPENSES						
Operating:						
Administrative	2,572,875	\$2,637,687	86,600	\$111,828	\$2,659,475	\$2,749,515
Central Office Fees	11,485	11,485	0	0	11,485	11,485
Tenant Services	79,693	84,543	0	0	79,693	84,543
Utilities	974,347	1,034,607	0	0	974,347	1,034,607
Maintenance	1,186,145	1,332,708	0	0	1,186,145	1,332,708
Protective Services	444,147	510,848	0	0	444,147	510,848
General	506,685	482,468	0	0	506,685	482,468
Non-Routine	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0
Interest Expense	0	0	0	0	0	0
HAP/Rent to owners	11,550,000	11,550,000	0	0	11,550,000	11,550,000
Replacement/Operating Reserves	152,670	87,060	0	0	152,670	87,060
Capital Outlays	10,494	25,880	780,245	1,006,447	790,739	1,032,327
Development Costs	0	0	0	0	0	0
Operating Transfers Out	0	0	0	0	0	0
Subtotal Operating	17,488,541	17,757,286	866,845	1,118,275	18,355,386	18,875,561
TOTAL EXPENSES	\$ 17,488,541	\$17,757,286	\$ 866,845	\$ 1,118,275	\$ 18,355,386	\$ 18,875,561
NET INCREASE/(DECREASE) IN FUND BALANCE	\$0	\$0	\$0	\$0	\$0	\$0

2017 REVENUE SUMMARY

PROGRAM/FUND	TENANT RENTAL INCOME	PROPERTY MANAGEMENT/AND OTHER FEES	INTERST INCOME	OTHER INCOME	FEDERAL FINANCIAL ASSISTANCE	OPERATING RESERVES	TOTAL
COCC		\$890,760	\$7,000	\$130,000	\$111,828	\$137,275	\$1,276,863
LOW RENT	\$1,830,000			\$ 133,000	\$1,687,500		\$3,650,500
SECTION 8		\$1,135,743	\$2,500	\$ 104,000	\$11,550,000	\$0	\$12,792,243
COMPONENT							
UNITS	\$604,954			\$14,141	\$0	\$205,278	\$824,373
CAPITAL GRANT					\$1,118,275		\$1,118,275
ELIMINATIONS							\$0
ELIMINATE							
INTERFUND							
ITEMS		(\$786,693)					(\$786,693)
TOTALS	\$2,434,954	\$1,239,810	\$9,500	\$381,141	\$14,467,603	\$342,553	\$18,875,561

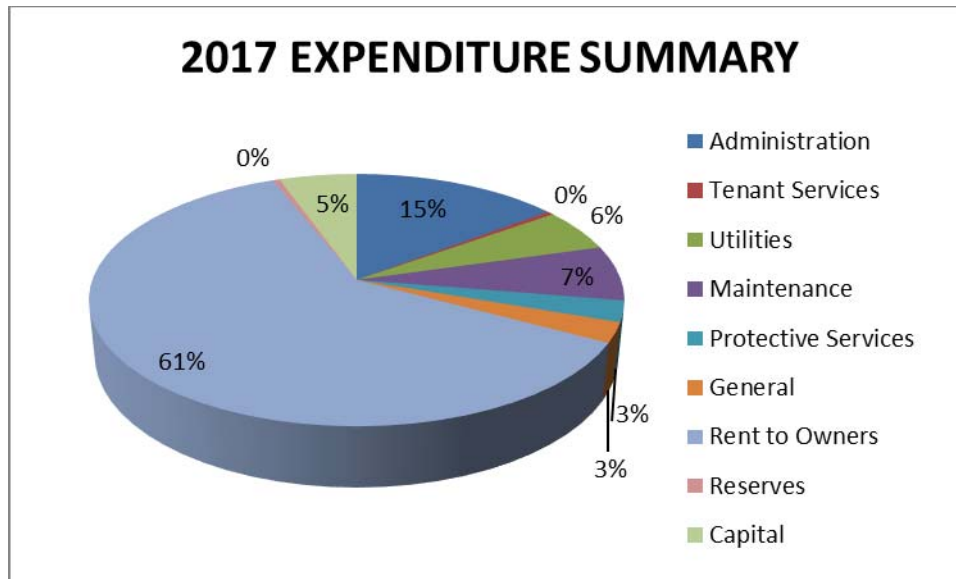
Note: This schedule shows the summary of all the revenue sources of MHA by program. The Central Office Cost Center fund has a budget of \$1.2 million. All except \$301,392 of the funds to sustain the central office cost center functions of MHA come in as various fees from the programs the Central Office Cost Center fund staff supports.



2017 EXPENDITURE SUMMARY

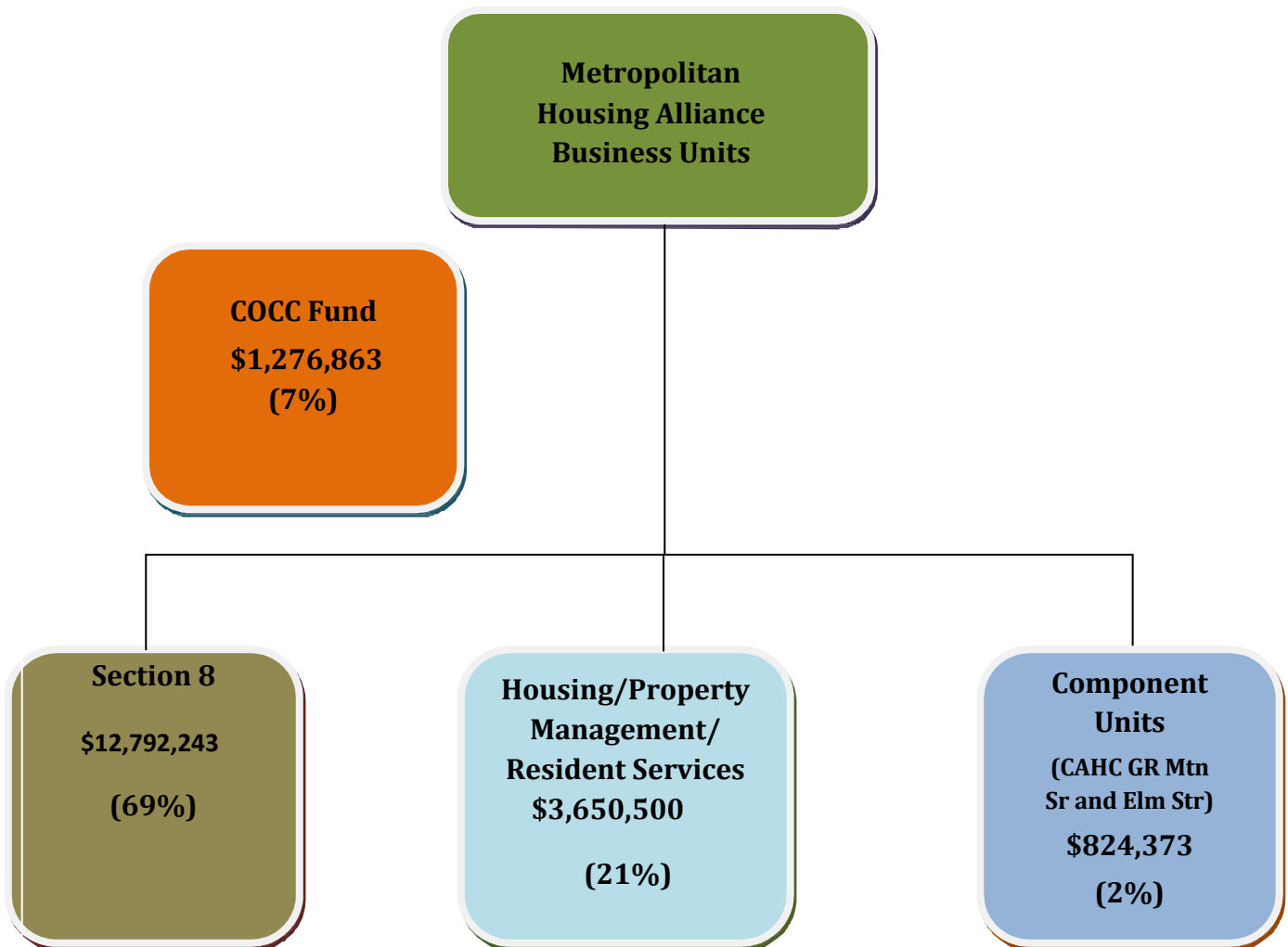
PROGRAM/FUND	ADMIN EXPENSE	CENTRAL OFFICE FEES	TENANT SERVICES	HAP/RENT TO OWNERS	UTILITIES EXPENSE	MAINTENAN CE EXPENSE	PROTECTIVE SERVICES	GENERAL EXPENSE	OPERATING/ REPLACEMENT RESERVES	DEVELOPMENT & CAPITAL OUTLAYS	TOTAL
COCC	\$1,136,275					\$117,988		\$22,600			\$1,276,863
LOW RENT	\$534,327	\$489,178	\$84,543		\$ 861,425	\$850,673	\$469,000	\$325,175	\$36,179		\$3,650,500
SECTION 8	\$807,293	\$309,000		\$11,550,000	\$ 18,970	\$81,980		\$14,000	\$11,000		\$12,792,243
COMPONENT UNITS	\$159,792				\$154,212	\$282,067	\$41,848	120,693	\$39,881	\$25,880	\$824,373
CAPITAL GRANT	111,828									\$1,006,447	\$1,118,275
ELIMINATIONS											
ELIMINATE INTERFUND ITEMS		(\$786,693)									(\$786,693)
TOTALS	\$2,749,515	\$11,485	\$84,543	\$11,550,000	\$1,034,607	\$1,332,708	\$510,848	\$482,468	\$87,060	\$1,032,327	\$18,875,561

Note: This schedule illustrates the budgeted categories of expenditures for 2017 by program. Elimination entries are required to show the elimination of interfund expenditures necessitated by the use of Central Office Cost Center fund. Rent to owners expense reflects the housing assistance payments MHA provides to landlords for housing low-income tenants in the Section 8 and mixed income housing programs.

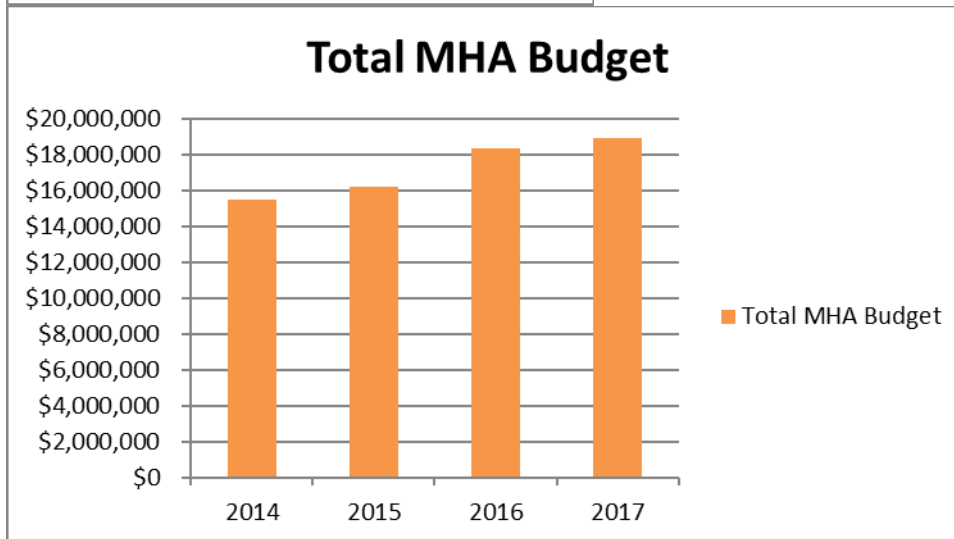
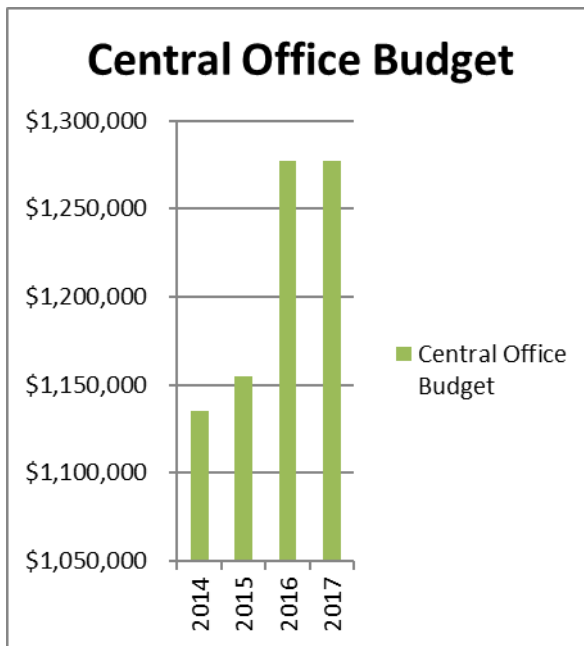


MHA Business Units

Total 2017 Operating Budget = \$18,875,561



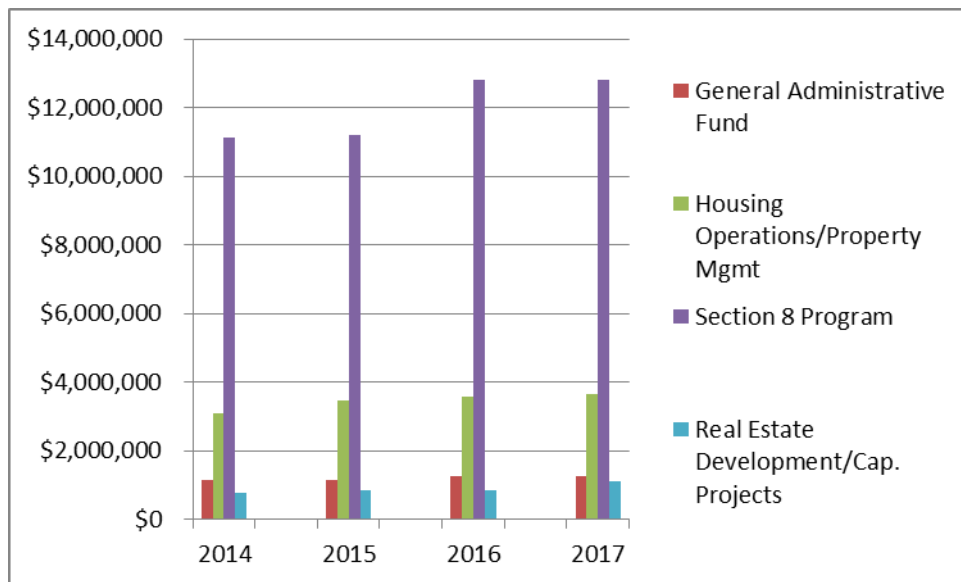
CENTRAL OFFICE BUDGET vs. TOTAL MHA BUDGET



	2014	2015	2016	2017
Central Office Budget	\$1,135,131	\$1,155,159	\$1,276,863	\$1,276,863
Total MHA Budget	\$15,458,729	\$16,163,724	\$18,355,386	\$18,875,561
Central Office Budget % (% of the Total Budget)	7%	7%	7%	7%
Total Regular F/T Employees	51	43	47	48

Comparative Budget Overview - MHA Business Units FY 2014 - 2017

	2014	2015	2016	2017
General Administrative Fund	\$1,135,131	\$1,155,159	\$1,276,863	\$1,276,863
Housing Operations/Property Mgmt	3,096,709	3,465,207	3,588,000	3,650,500
Section 8 Program	11,127,528	11,220,320	12,792,243	12,792,243
Real Estate Development/Cap. Projects	788,571	847,116	866,845	1,118,275
Total	<u>\$16,147,939</u>	<u>\$16,687,802</u>	<u>\$18,523,951</u>	<u>\$18,837,881</u>



	Regular Employees	Temporary/ Contract Employees
FICA	6.20%	6.20%
Medicare	1.45%	1.45%
Unemployment	3.10%	0.00%
Workers Compensation (base rate-not including experience modification)	1.71%	0.00%
Pension	5.50%	-----
Vacation and Sick Leave (Accrual portion only)	0.75%	*
Health Insurance (as a percentage of total regular salary)	14.94%	*
Life Insurance (Maximum Coverage 1 1/2 times salary)	0.03%	-----
Subtotals	33.68%	7.65%

Annual Leave - Vacation (per Personnel Policy based on hire date and years of employment accrues per pay period, after (6) months of employment)

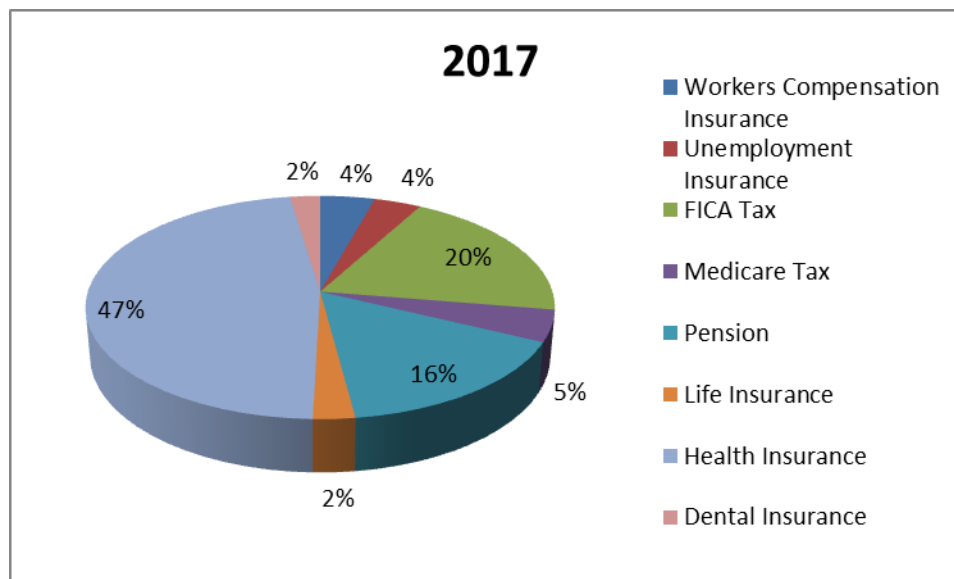
Sick Leave - (per Personnel Policy, accrues per pay period, based on hire date)

Paid Holidays - 11 per year, plus birthday and (2) discretionary days

Social Security taxable wage base for 2016 is **\$1,726,662**.

	AMOUNTS BUDGETED 2014	AMOUNTS BUDGETED 2015	AMOUNTS BUDGETED 2016	AMOUNTS BUDGETED 2017
Regular Employee Salaries	\$1,496,333	\$1,498,273	\$1,726,662	\$1,726,662
Temporary/Contract Employees	\$0	\$0	\$0	\$0
TOTAL SALARIES	\$1,496,333	\$1,498,273	\$1,726,662	\$1,726,662
Workers Compensation Insurance	\$25,587	\$25,587	\$23,658	\$23,658
Unemployment Insurance	\$18,600	\$18,600	\$20,304	\$20,304
FICA Tax	\$92,773	\$92,893	\$107,053	\$107,053
Medicare Tax	\$21,697	\$21,725	\$25,037	\$25,037
Pension	\$82,298	\$74,914	\$86,333	\$86,333
Life Insurance	\$3,383	\$11,986	\$13,813	\$13,813
Health Insurance	\$197,292	\$224,460	\$258,500	\$258,500
Dental Insurance	\$12,288	\$11,868	\$12,972	\$12,972
TOTAL BENEFITS EXPENSE	\$453,918	\$482,033	\$547,670	\$547,670
TOTAL SALARIES AND BENEFITS	\$1,950,251	\$1,980,306	\$2,274,332	\$2,274,332

MHA Benefits Breakdown for FY2017



MHA Employee Benefits

FICA Tax, Health Insurance premiums and Pension contributions constitute the three highest benefits provided by MHA. FICA tax is projected based on federal employment tax regulations. Health insurance premium budget for 2017 is \$258,500 MHA contributes 5.5% of employee salary as pension into a defined contribution plan. Therefore, the pension contribution fluctuates based on actual salaries of employees. MHA offers employees a 404(c) Pension Plan to which there is employee/employer contributions.

BUDGET SUMMARY

FUND BALANCE AND FUND EQUITY CHANGES

Fund Equity Summary

Because balanced budgets were projected for FY2016 and FY2017, the projected change in net assets for FY2016 and FY2017 are due to increases in replacement and operating reserves in various programs. FY2017 fund beginning balances are stated as the same as the audited and published 'net assets' of each fund at December 31, 2015.

FUND	Beginning Fund Balance 1/1/2017*	FY2017 Budgeted Revenues	FY2017 Budgeted Expenses	Estimated Fund Balance 12/31/2017	Percent Change in Fund Balance
Central Office Cost Center	\$1,784,202	\$1,276,863	\$1,276,863	\$1,784,202	0.00%
Low Rent Housing Program	18,784,231	3,650,500	\$3,650,000	\$18,784,231	0.00%
Section 8 Program	1,414,371	12,792,243	\$12,792,243	\$1,414,371	0.00%
MHA Component Units	17,211,239	618,128	618,128	\$17,211,239	0.00%
Capital Budgets	0	1,118,275	1,118,275	\$0	0.00%
TOTAL ALL FUNDS	\$39,194,043	\$19,456,009	\$19,456,009	\$39,194,043	

*Estimated at the 12/31/15 balance since FY2016 is not final as of this writing.

**These budgeted revenues and expenditures are prior to any interfund elimination of transactions.

Fund Balance

Fund balance is defined here as the 'net assets' of each fund. Net assets represent the difference between a fund's assets and liabilities. These 'net assets' or fund balances are not all cash or investments. Net assets for MHA's programs consist mainly of fixed assets of the program. An adequate fund balance is necessary so that resources are available to meet emergency and unexpected events. An adequate fund balance is also required to maintain MHA's financial position.

The chart above depicts the estimated fund balances at January 1, 2017, the budgeted revenues and expenditures for FY2017 and the estimated fund balances at December 31, 2017.

A Balanced Budget for MHA is one reason the fund balance is not expected to change for most major programs of MHA. Equity changes for Funds will occur as capital expenditures are made with operating revenues, which will then be reflected at year-end as changes to fund balance. For MHA programs where the 2017 budgets project a deposit or use of replacement or operating reserves, fund balance at 2017 year- end is changed to reflect it.

METROPOLITAN HOUSING ALLIANCE
Combining Financial Schedules
December 31,

Housing Authority of the City of Little Rock (AR004)											
Little Rock, AR											
Entity Wide Balance Sheet Summary											
Submission Type: Audited/Single Audit			Fiscal Year End: 12/31/2015								
		Project Total	14.DVP Disaster Voucher Program	14.256 Neighborhood Stabilization Program (Recovery Act)	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted		\$1,904,242			\$286,942	\$294,470	\$377,299	\$1,414,529	\$4,277,482		\$4,277,482
112 Cash - Restricted - Modernization and Development											
113 Cash - Other Restricted					\$98,841		\$837,957		\$936,798		\$936,798
114 Cash - Tenant Security Deposits		\$48,525		\$9,201			\$15,585		\$73,311		\$73,311
115 Cash - Restricted for Payment of Current Liabilities					\$109,521				\$109,521		\$109,521
100 Total Cash		\$1,952,767	\$0	\$9,201	\$495,304	\$294,470	\$1,230,841	\$1,414,529	\$5,397,112	\$0	\$5,397,112
121 Accounts Receivable - PHA Projects											
122 Accounts Receivable - HUD Other Projects		\$16,965			\$99,459			\$16,558	\$132,982		\$132,982
124 Accounts Receivable - Other Government											
125 Accounts Receivable - Miscellaneous		\$48,605			\$133,690	\$10,218	\$0		\$192,513		\$192,513
126 Accounts Receivable - Tenants		\$33,460		\$16,878			\$14,378		\$64,716		\$64,716
126.1 Allowance for Doubtful Accounts - Tenants		-\$665		-\$338			\$0		-\$1,003		-\$1,003
126.2 Allowance for Doubtful Accounts - Other		\$0		\$0	-\$77,210	\$0	\$0	\$0	-\$77,210		-\$77,210
127 Notes, Loans, & Mortgages Receivable - Current											
128 Fraud Recovery											
128.1 Allowance for Doubtful Accounts - Fraud											
129 Accrued Interest Receivable		\$31,949							\$31,949		\$31,949
120 Total Receivables, Net of Allowances for Doubtful Accounts		\$130,314	\$0	\$16,540	\$155,939	\$10,218	\$14,378	\$16,558	\$343,947	\$0	\$343,947
131 Investments - Unrestricted		\$2,132,921						\$58,497	\$2,191,418		\$2,191,418
132 Investments - Restricted		\$165,532							\$165,532		\$165,532
135 Investments - Restricted for Payment of Current Liability											
142 Prepaid Expenses and Other Assets		\$7,974		\$543	\$3,172		\$17,842	\$28,784	\$58,315		\$58,315
143 Inventories		\$32,548							\$32,548		\$32,548
143.1 Allowance for Obsolete Inventories		\$0							\$0		\$0
144 Inter Program Due From								\$6,465	\$6,465	-\$6,465	\$0
145 Assets Held for Sale				\$556,598					\$556,598		\$556,598
150 Total Current Assets		\$4,422,056	\$0	\$582,882	\$654,415	\$304,688	\$1,263,061	\$1,524,833	\$8,751,935	-\$6,465	\$8,745,470
161 Land		\$1,164,189		\$2,554	\$100,000		\$62,597	\$194,855	\$1,524,195		\$1,524,195
162 Buildings		\$41,675,465		\$2,520,941	\$1,353,205		\$13,128,117	\$1,384,241	\$60,061,969		\$60,061,969
163 Furniture, Equipment & Machinery - Dwellings							\$414,954		\$414,954		\$414,954
164 Furniture, Equipment & Machinery - Administration			\$28,022		\$88,744				\$116,766		\$116,766
165 Leasehold Improvements											
166 Accumulated Depreciation		-\$25,820,152	-\$28,022	-\$472,267	-\$536,724		-\$3,999,037	-\$1,219,211	-\$32,075,413		-\$32,075,413
167 Construction in Progress		\$39,060			\$12,616			\$12,616	\$64,292		\$64,292
168 Infrastructure											
160 Total Capital Assets, Net of Accumulated Depreciation		\$17,058,562	\$0	\$2,051,228	\$1,017,841	\$0	\$9,606,631	\$372,501	\$30,106,763	\$0	\$30,106,763
171 Notes, Loans and Mortgages Receivable - Non-Current		\$11,387,717					\$9,206,388		\$20,594,105		\$20,594,105
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due											
173 Grants Receivable - Non Current											
174 Other Assets							\$146,765		\$146,765		\$146,765
176 Investments in Joint Ventures											
180 Total Non-Current Assets		\$28,446,279	\$0	\$2,051,228	\$1,017,841	\$0	\$18,959,784	\$372,501	\$50,847,633	\$0	\$50,847,633
200 Deferred Outflow of Resources											
290 Total Assets and Deferred Outflow of Resources		\$32,868,335	\$0	\$2,634,110	\$1,672,256	\$304,688	\$20,222,845	\$1,897,334	\$59,599,568	-\$6,465	\$59,593,103

2015

METROPOLITAN HOUSING ALLIANCE
Combining Financial Schedules
December 31, 2015

Housing Authority of the City of Little Rock (AR004)												
Little Rock, AR												
Entity Wide Balance Sheet Summary												
Submission Type:		Audited/Single Audit		Fiscal Year End:		12/31/2015						
			Project Total	14.DVP Disaster Voucher Program	14.256 Neighborhood Stabilization Program (Recovery Act)	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	6.1 Component Unit - Discretely Presented	COCC	Subtotal	ELIM	Total
311 Bank Overdraft												
312 Accounts Payable <= 90 Days			\$299,962		\$7,388	\$74,192		\$171	\$37,286	\$418,999		\$418,999
313 Accounts Payable >90 Days Past Due												
321 Accrued Wage/Payroll Taxes Payable			\$16,341		\$1,113	\$9,585			\$15,782	\$42,821		\$42,821
322 Accrued Compensated Absences - Current Portion			\$29,786			\$27,835			\$55,781	\$113,402		\$113,402
324 Accrued Contingency Liability					\$23,100					\$23,100		\$23,100
325 Accrued Interest Payable												
331 Accounts Payable - HUD PHA Programs						\$1,050				\$1,050		\$1,050
332 Account Payable - PHA Projects						\$3,005				\$3,005		\$3,005
333 Accounts Payable - Other Government			\$248,704							\$248,704		\$248,704
341 Tenant Security Deposits			\$48,525		\$9,201			\$15,585		\$73,311		\$73,311
342 Unearned Revenue			\$26,760			\$32,697		\$4,406	\$4,283	\$68,146		\$68,146
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue												
344 Current Portion of Long-term Debt - Operating Borrowings												
345 Other Current Liabilities			\$824		\$17,015	\$109,521		\$124,690		\$252,050		\$252,050
346 Accrued Liabilities - Other												
347 Inter Program - Due To					\$6,465					\$6,465	-\$6,465	\$0
348 Loan Liability - Current												
310 Total Current Liabilities			\$670,902	\$0	\$64,282	\$257,885	\$0	\$144,852	\$113,132	\$1,251,053	-\$6,465	\$1,244,588
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue												
352 Long-term Debt, Net of Current - Operating Borrowings												
353 Non-current Liabilities - Other												
354 Accrued Compensated Absences - Non Current												
355 Loan Liability - Non Current								\$2,866,754		\$2,866,754		\$2,866,754
356 FASB 5 Liabilities												
357 Accrued Pension and OPEB Liabilities												
350 Total Non-Current Liabilities			\$0	\$0	\$0	\$0	\$0	\$2,866,754	\$0	\$2,866,754	\$0	\$2,866,754
300 Total Liabilities			\$670,902	\$0	\$64,282	\$257,885	\$0	\$3,011,606	\$113,132	\$4,117,807	-\$6,465	\$4,111,342
400 Deferred Inflow of Resources												
508.3 Nonspendable Fund Balance												
508.4 Net Investment in Capital Assets			\$17,058,562		\$2,051,228	\$1,017,841		\$9,606,631	\$372,501	\$30,106,763		\$30,106,763
509.3 Restricted Fund Balance												
510.3 Committed Fund Balance												
511.3 Assigned Fund Balance												
511.4 Restricted Net Position			\$214,057			\$98,841		\$837,957		\$1,150,855		\$1,150,855
512.3 Unassigned Fund Balance												
512.4 Unrestricted Net Position			\$14,924,814	\$0	\$518,600	\$297,689	\$304,688	\$6,766,651	\$1,411,701	\$24,224,143		\$24,224,143
513 Total Equity - Net Assets / Position			\$32,197,433	\$0	\$2,569,828	\$1,414,371	\$304,688	\$17,211,239	\$1,784,202	\$55,481,761	\$0	\$55,481,761
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net			\$32,868,335	\$0	\$2,634,110	\$1,672,256	\$304,688	\$20,222,845	\$1,897,334	\$59,599,568	-\$6,465	\$59,593,103

MHA COMPREHENSIVE BUDGET OVERVIEW

2002-2017

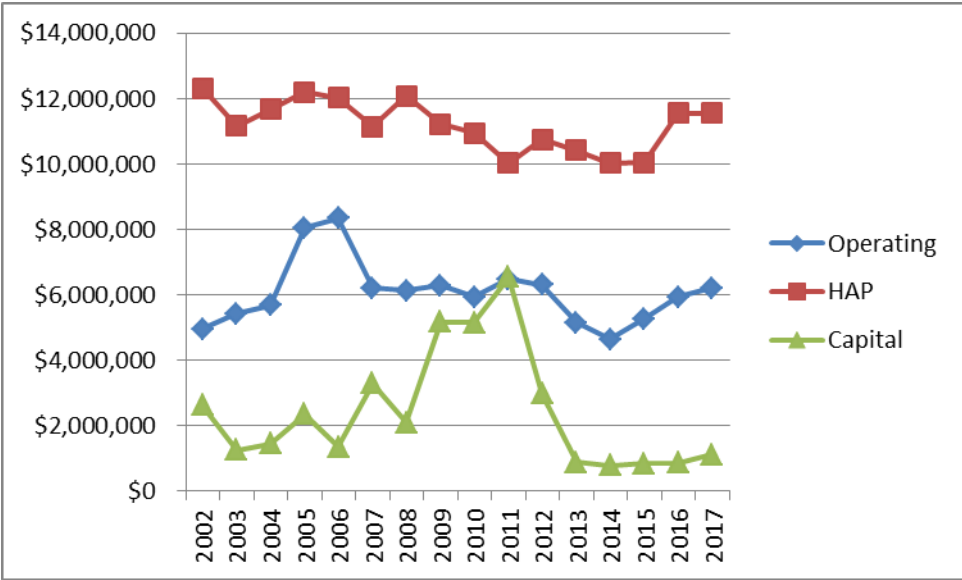
Year	Operating	HAP	Capital/ Development	Total Budget	Total Housing Units	Regular Staffing
2002	\$4,965,407	\$12,311,687	\$2,636,145	\$19,913,239	3,667	NA
2003	\$5,433,078	\$11,167,951	\$1,252,204	\$17,853,233	3,361	NA
2004	\$5,690,944	\$11,659,192	\$1,448,672	\$18,798,808	3,321	NA
2005	\$8,044,506	\$12,198,920	\$2,352,856	\$22,596,282	3,558	NA
2006	\$8,351,007	\$12,022,075	\$1,351,387	\$21,724,469	3,654	NA
2007	\$6,200,875	\$11,143,511	\$3,290,159	\$20,634,545	3,642	NA
2008	\$6,124,106	\$12,081,408	\$2,092,650	\$20,298,164	2,746	NA
2009	\$6,284,359	\$11,216,236	\$5,170,437	\$22,671,032	2,904	NA
2010	\$5,928,987	\$10,946,295	\$5,150,194	\$22,025,476	2,925	NA
2011	\$6,484,011	\$10,031,777	\$6,545,836	\$23,061,624	2,943	55
2012	\$6,309,627	\$10,740,262	\$2,976,066	\$20,025,955	2,955	55
2013	\$5,154,912	\$10,413,744	\$887,575	\$16,456,231	2,955	52
2014	\$4,638,158	\$10,032,000	\$788,571	\$15,458,729	2,955	51
2015	\$5,270,433	\$10,046,175	\$847,116	\$16,163,724	2,955	43
2016	\$5,938,541	\$11,550,000	\$866,845	\$18,355,386	3,164	47
2017	\$6,207,286	\$11,550,000	\$1,118,275	\$18,875,561	3,164	48

Notes on Comprehensive Budget Overview

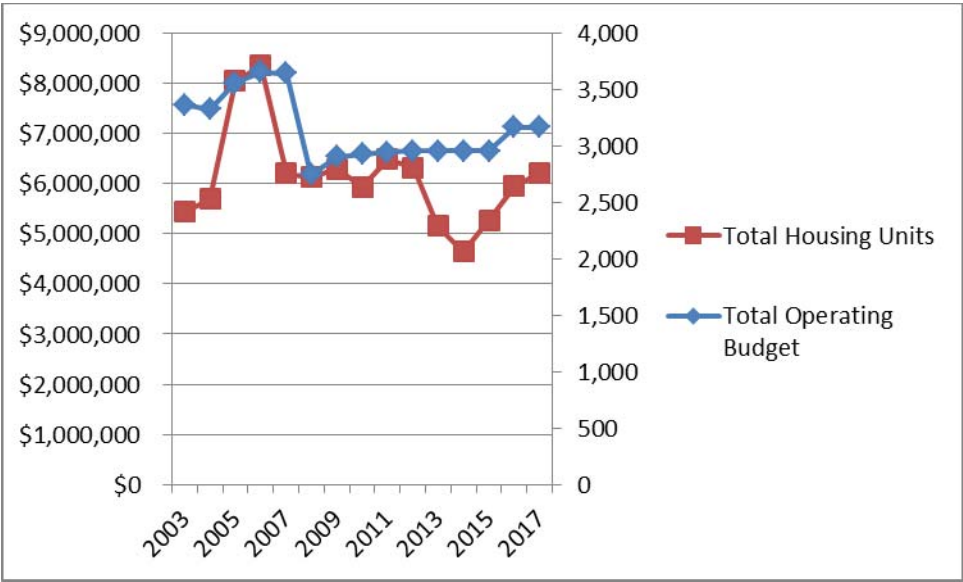
We are showing here MHA's Total Budget from FY2002 to FY2017 for historical perspective. Each year's total budget is broken out between Operating, HAP and Capital/Development budgets. Housing Assistance Payments (HAP) are paid by MHA to Section 8 landlords who lease their units to MHA's Section 8 clients. These payments have decreased slightly over the years because of stable fair market rents and only slightly higher number of Section 8 vouchers that MHA issues. For each year, the total housing units that the budget relates to is also shown along with the number of regular personnel. The total housing units include all of MHA's hard units and Section 8 program vouchers.

It is important to note that MHA's comprehensive budget decreased from \$19.9 million in 2002 to \$18.8 million in 2017. The operating budget increased 25%; the HAP budget decreased 6% and Capital/Development budget decreased 58% during this period. MHA decreased its housing opportunities from 3,667 units in 2002 to 3,164 units in 2017.

MHA COMPREHENSIVE BUDGET OVERVIEW



TOTAL OPERATING BUDGET



BUDGET SUMMARY

FUND BUDGETS

FUND BUDGETS

All accounting and budgeting of MHA are organized based on Fund Accounting.

COCC Fund

MHA's COCC is used to account for most of MHA's Administrative functions which support the various housing programs of MHA.

Funding to support this structure is from various fees it charges the Low Rent Housing Program, Section 8 Program. COCC Expenditure Summary is presented by Division.

Low Rent Housing Program -

The Low Rent Housing Program provides subsidized housing to low and moderate-income tenants. MHA functions as an owner and manager of approximately 895 public housing units. In addition to rents received from tenants (which is 30% of their adjusted income), MHA receives operating subsidy from HUD to offset the cost of operating and maintaining these units. HUD uses a performance funding system to determine the amount of operating subsidy for each housing authority. Housing authorities are required to submit to HUD an annual operating budget for the Low Rent Program and after HUD approval, subsidy funds are disbursed to the housing authorities based on a payment schedule, which reflect their cash flow requirements.

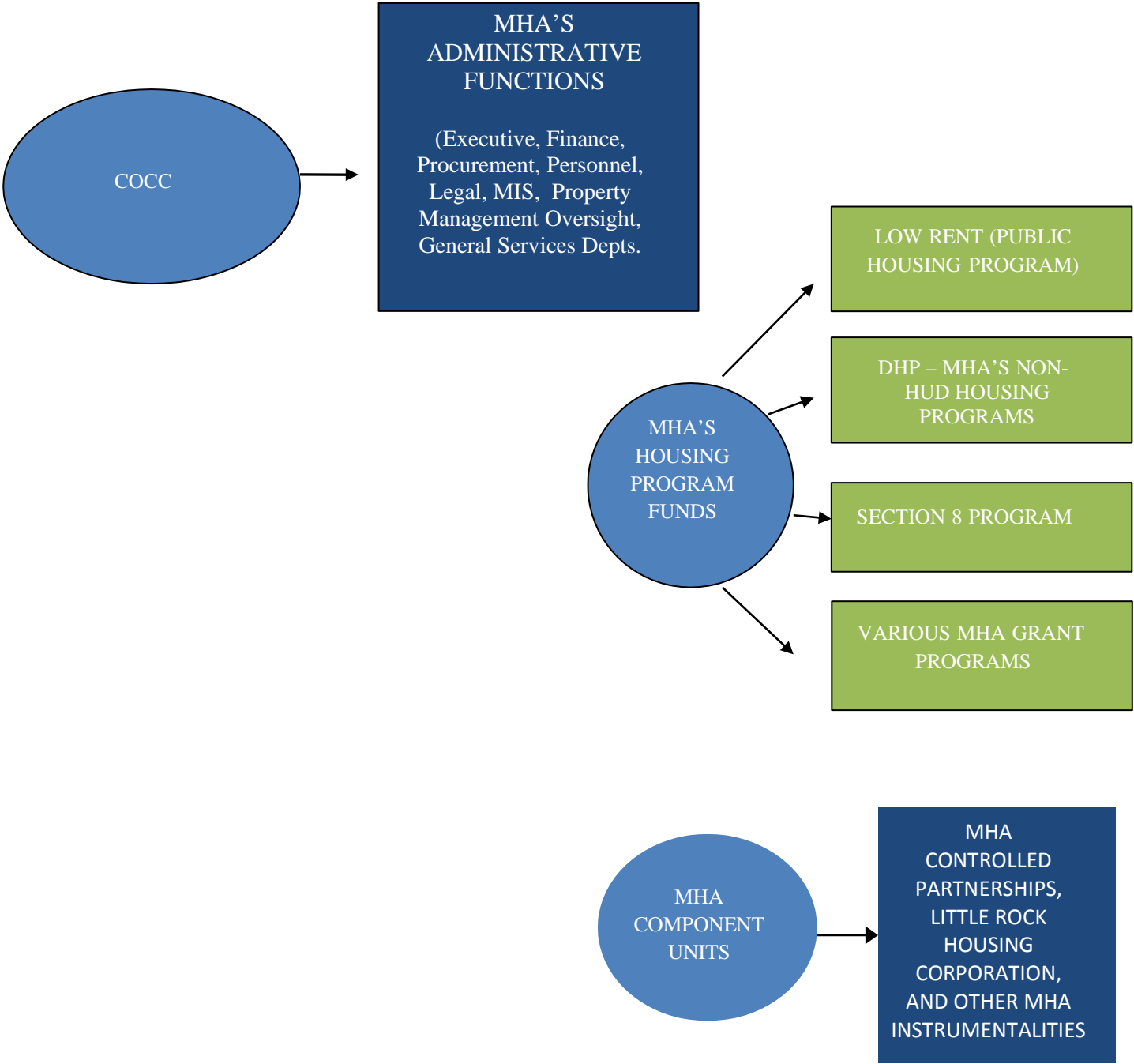
Subsidy for 2015 is projected to be funded between 85% and 89% of MHA's subsidy eligibility. Any shortfall is expected to be offset by MHA's public housing operating reserves. The estimated number of Low Rent units to be receiving operating subsidy for 2016 is 893. Low Rent Program budget for 2016 is 3.42% higher than 2015.

Section 8 Programs

Section 8 Housing Vouchers and Moderate Rehabilitation Certificates are the components of MHA's Section 8 housing program. This program creates a partnership between the public and the private sector with the object of providing housing assistance to low and moderate income families. A family selected to participate in the Section 8 program is issued a voucher and is then free to locate a dwelling unit suitable to the family's needs and desires in the private market. MHA pays the owner a portion of the rent (a housing assistance payment - HAP) on behalf of the family. The moderate rehabilitation program assists low-income families to afford decent, safe and sanitary housing from property owners who have rehabilitated substandard housing and lease the units with rental subsidies to low income families. The Department of Housing and Urban Development provides funds to MHA to administer these programs. In 2016, MHA expects to administer 2,262 Section 8 units. MHA's Section 8 Department administers this program.

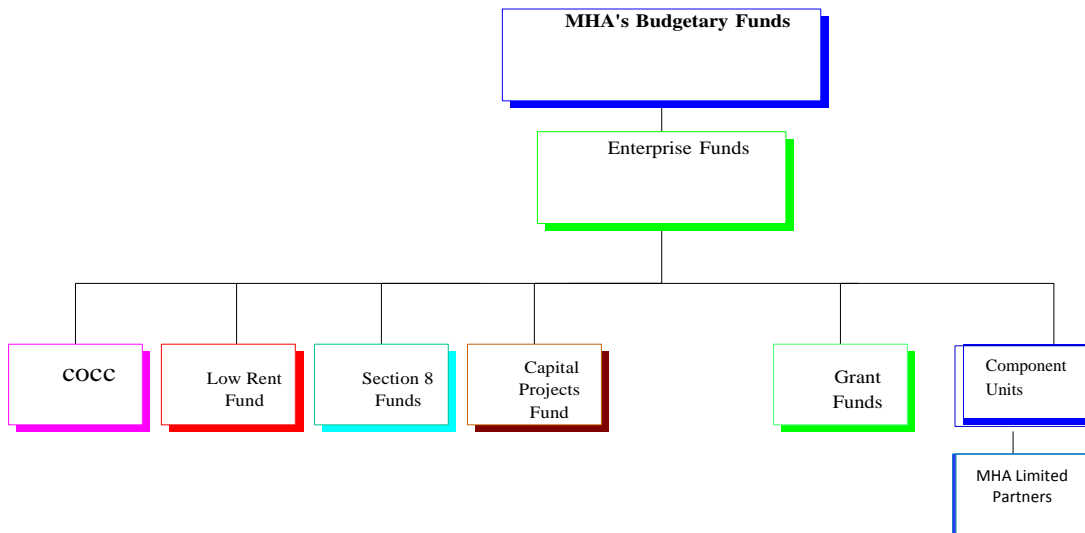
The Section 8 budget for 2016 shown here was developed with existing HUD rules. As of this writing, HUD has not provided MHA with its final 2016 funding information. For administrative fee revenues, we projected the administrative fees at 80% proration.

MHA FUND STRUCTURE



FUND BUDGETS

MHA FUND STRUCTURE



Audited Financial Statements – MHA’s audited financial statements include the same funds that are budgeted. There are no additional or fewer funds in MHA’s and its entities’ audited financial statements.

Major Fund Descriptions - MHA considers Low Rent Fund and Section 8 Fund as major funds because their revenues or expenditures excluding other financing sources constitute more than 10% of the revenues or expenditures of the adopted budget.

Low Rent

Low Rent Fund accounts for the operations of MHA’s public housing program. It is funded by operating subsidy revenues from HUD and rental income collected from MHA’s public housing tenants.

Section 8

Section 8 Program Fund accounts for the housing assistance payments MHA receives from HUD to pay for Section 8 program clients who lease housing units from the private sector.

2017 BUDGET

COCC

	2015 ACTUAL	2016 BUDGET	2017 BUDGET
REVENUES/SOURCES OF FUNDS:			
Property/Program Management Fees:			
Low Rent Housing	\$502,135	\$506,200	\$506,200
Section 8 Program	224,560	226,800	226,800
Little Rock Housing			
Bookkeeping Fees			
Low Rent Housing	59,205	63,630	63,630
Section 8 Program	67,368	68,040	68,040
Administrative fees - Capital Fund	65,907	84,711	111,828
Fees for Services	6,960	26,090	26,090
Other Income/Investment Income	76,845	137,000	137,000
TOTAL REVENUES/SOURCES	\$1,002,980	\$1,112,471	\$1,139,588
EXPENDITURES:			
EXECUTIVE DIVISION			
Board of Commissioners	\$2,246	\$30,000	\$30,000
Executive Office	418,827	384,648	384,648
Legal Department	75,929	60,000	60,000
Personnel Services Department	146,121	122,231	122,231
Procurement Department	92,944	3,926	3,926
TOTAL EXECUTIVE DIVISION	\$736,067	\$600,805	\$600,805
FINANCE/ADMINISTRATION DIVISION			
Finance Office	\$98,609	\$90,279	\$90,279
Accounting Department	214,789	249,111	249,111
Management Information Systems Dept.	7,248	27,121	27,121
TOTAL FINANCE/ADMINISTRATION DIVISION	\$320,646	\$366,511	\$366,511
HOUSING MANAGEMENT DIVISION			
Public Housing Management	\$184,733	\$97,007	\$97,007
General Services Department	26,785	90,836	90,836
TOTAL HOUSING MANAGEMENT DIVISION	\$211,518	\$187,843	\$187,843
Provision for COCC Operating Reserves	-265,251	-42,688	-15,571
TOTAL EXPENDITURES/USES	\$1,002,980	\$1,112,471	\$1,139,588

FUND BUDGETS

PUBLIC HOUSING

FUND NUMBER 300

	2015 ACTUAL	2016 BUDGET	2017 BUDGET
REVENUES:			
Rents	1,785,167	1,837,000	\$1,830,000
Interest Income	0	0	0
Other	95,566	119,000	133,000
HUD Operating Subsidy	1,548,918	1,632,000	1,687,500
Contributions from Capital Fund	802,379	866,845	1,118,275
TOTAL REVENUES	\$4,232,030	\$4,454,500	\$4,768,775
EXPENDITURES:			
Administrative Salaries	309,741	308,032	\$308,032
Administrative Supplies & Services	252,325	195,868	226,295
Central Office Fees	389,095	489,178	489,178
Tenant Services Salaries	43,641	33,344	33,344
Tenant Services Supplies & Services	34,429	46,349	51,199
Utilities	833,658	852,595	861,425
Maintenance Salaries	408,141	395,068	392,936
Maintenance Supplies & Services	429,965	422,512	457,737
Protective Services Supplies & Services	334,221	403,347	469,000
General Costs	202,311	324,400	325,175
TOTAL DIRECT OPERATING COSTS	\$3,237,527	\$3,470,693	\$3,614,231
Capital Outlays	802,379	866,845	1,118,275
TOTAL EXPENDITURES	\$4,039,906	\$4,337,538	\$4,732,596
Replacement/Operating Reserves	192,124	117,307	36,179
NET REVENUES/(EXPENDITURES)	\$4,232,030	\$4,454,500	\$4,768,775

*Subsidy for 2017 is projected to be funded at 85% of MHA's subsidy eligibility. The estimated number of Low Rent units to be receiving operating subsidy for 2017 is 687.

SECTION 8 PROGRAM DETAIL (S-8)
FUND NUMBER 600

	2015 ACTUAL	2016 BUDGET	2017 BUDGET
REVENUES:			
Interest Income	\$1,550	\$2,500	\$2,500
Contributions (other grants)	0	0	0
Other	98,464	104,000	104,000
HUD (HAP)	11,662,425	11,550,000	11,550,000
HUD (Admin. Fee)	1,188,390	1,135,743	1,135,743
TOTAL REVENUES	\$12,950,829	\$12,792,243	\$12,792,243
EXPENDITURES:			
Administrative Salaries	\$622,254	\$628,793	\$628,793
Administrative Supplies & Services	257,178	173,500	178,500
Central Office Fees	284,336	309,000	309,000
Utilities	16,519	18,970	18,970
Maintenance	71,721	81,980	81,980
General Costs	15,394	14,000	14,000
Rents to Owners	11,941,494	11,550,000	11,550,000
TOTAL DIRECT OPERATING COSTS	\$13,208,896	\$12,776,243	\$12,781,243
TOTAL EXPENDITURES	\$13,208,896	\$12,776,243	\$12,781,243
Replacement/Operating Reserves	-258,067	16,000	11,000
NET REVENUES/(EXPENDITURES)	\$12,950,829	\$12,792,243	\$12,792,243

Note: Section 8 program consists of HUD's Housing Choice Vouchers and Moderate Rehabilitation Vouchers issued by HUD to MHA. This program is a major housing program for MHA.

COMPONENT UNITS

COMPONENT UNITS

Component Units

MHA has three component units. They are budgeted and accounted for as 'Enterprise Funds'.

Central Arkansas Housing Corporation

MHA created Central Arkansas Housing Corporation. Central Arkansas Housing Corporation serves as an affiliate of MHA in various redevelopment initiatives. This entity is treated as a component unit for budgeting as well as financial statement presentation in MHA's Comprehensive Annual Financial Report (CAFR). This entity requires a separate budget that must be approved by MHA's Board of Commissioners.

Granite Mountain Senior Homes, L.P.

MHA is the general partner of Granite Mountain Senior Homes, L.P. which was formed in May 2010 to acquire, construct and operate a 40 unit senior apartment complex in Little Rock, Arkansas. Twenty units of the property, known as Legacy Homes at Granite Mountain were placed-in-service October 2011 and the other twenty units were placed-in-service May 2012. The Partnership is owned by the MHA, the general partner, Central Arkansas Housing Corporation, Inc., co-general partner, Hunt Capital Partners Tax Credit Fund 2011-4, L.P., limited partner.

Elm Street Community, L.P.

CAHC is the general partner of Elm Street Community, L.P. which was formed in 1996 to acquire, construct and operate a 51 unit apartment complex in Little Rock, Arkansas. The Partnership was assigned to CAHC, the general partner, on January 10, 2014.

2016 BUDGET MHA COMPONENT UNIT			
	Central Arkansas Housing	Granite Mountain Senior Homes	Elm Street Apartments
REVENUES:			
Operating:			
Rental Income		\$161,824	\$354,640
Operating Subsidy (HUD)		8,316	-
Other	88,512	4,236	600
Subtotal Operating	88,512	174,376	355,240
TOTAL REVENUES:	\$88,512	\$174,376	\$355,240
EXPENDITURES:			
Operating:			
Administrative		\$61,038	\$69,369
Utilities		20,150	82,632
Maintenance		71,832	96,765
Protective Service			40,800
General	88,512	21,029	36,144
Replacement/Operating Reserves		(6,467)	25,830
Capital Outlays		6,794	3,700
Subtotal Operating	88,512	174,376	355,240
TOTAL	\$88,512	\$174,376	\$355,240

COMPONENT UNIT CENTRAL ARKANSAS HOUSING CORPORATION (CAHC)			
	2014 ACTUAL	2015 BUDGET	2016 BUDGET
REVENUES:			
Other	88,512	88,512	88,512
TOTAL REVENUES:	88,512	88,512	88,512
EXPENDITURES:			
Operating:			
General	88,512	88,512	88,512
TOTAL EXPENDITURES:	88,512	88,512	88,512

COMPONENT UNIT
GRANITE MOUNTAIN SENIOR HOMES, L.P.

	2014 ACTUAL	2015 BUDGET	2016 BUDGET
REVENUES:			
Rental Income	\$156,197	\$149,172	\$161,824
Operating Subsidy (HUD)	14,014	44,352	8,316
Other	19,355	2,000	4,236
TOTAL REVENUES:	189,566	195,524	174,376
EXPENDITURES:			
Operating:			
Administrative	\$54,483	\$60,868	\$61,038
Utilities	18,753	15,600	20,150
Maintenance	38,340	58,362	71,832
General	29,613	31,116	21,029
Replacement/Operating Reserves	48,377	26,578	(6,467)
Capital Outlays		3,000	6,794
TOTAL EXPENDITURES:	189,566	195,524	174,376

COMPONENT UNIT
ELM STREET COMMUNITY, L.P.

	2014 ACTUAL	2015 BUDGET	2016 BUDGET
REVENUES:			
Rental Income		\$351,274	\$354,640
Operating Subsidy (HUD)			
Other		360	600
TOTAL REVENUES:	NA	351,634	355,240
EXPENDITURES:			
Operating:			
Administrative		\$58,854	\$69,369
Utilities		57,972	82,632
Maintenance		126,888	96,765
Protective Service		38,400	40,800
General		37,140	36,144
Replacement/Operating Reserves		27,980	25,830
Capital Outlays		4,400	3,700
TOTAL EXPENDITURES:	NA	351,634	355,240

CAPITAL BUDGETS

CAPITAL BUDGETS

Capital Projects are defined as improvements or construction of Capital Assets. It includes only major repairs, renovation or replacement that extends the useful operational life by at least five years or expands capacity of an existing facility. MHA's total Capital Budget for 2016 is \$1,118,275.

MHA's capital budgets are comprised mainly of the following areas:

- Rehabilitation of MHA's public housing projects using Capital Fund grants provided by HUD.
- Development of new housing projects under various mixed finance transactions. These development efforts are multi-year programs and development budgets for these efforts are approved by the MHA Board on an individual project basis.

MHA's funding for capital projects comes from a variety of sources. The Capital Fund Grants from HUD, the NSP II Grant and Low Income Housing Tax Credit Equity.

Summary of Sources for Capital Expenditures			
	2015	2016	2017
Capital Fund Grants	847,116	866,845	1,118,275
<i>Total Sources for Capital Expenditures</i>	\$847,116	\$866,845	\$1,118,275
Summary of Capital Expenditures			
	2015	2016	2017
Public Housing Rehabilitation	\$847,116	\$847,116	\$1,118,275
<i>Total Capital Expenditures</i>	\$847,116	\$847,116	\$1,118,275

PUBLIC HOUSING REHABILITATION DETAIL

PROJECT	DESCRIPTION OF WORK	2017 BUDGET
Dispersed Housing	Rehabilitation of Units	\$849,889
Agency Wide	Management Improvements	156,558
Agency Wide	Capital Grant Administration Costs	111,828
	TOTAL	\$1,118,275

CAPITAL BUDGET

REVENUE PROJECTIONS

REVENUE PROJECTIONS

MHA revenues are grouped into five main categories. These are Rental Income, Interest Income, Management and Other Fees, Federal Financial Assistance, Other Income. For each category of revenue, historic information and the 2017 projections are provided. The revenue history is provided in summary in this section of the document.

Rental Income

Rental Income consists of Dwelling Rent Income, Non-Dwelling Rent Income and Excess Utility Charges to residents for utility costs that exceed their allowance. The total rental income budgeted for 2017 is \$2,434,954.

Dwelling Rent is projected by using the actual rental revenues earned through June 30, 2016, annualized for the 2017 fiscal year. 2017 Budget for dwelling rent is \$2,434,954. It is assumed that tenant income is not going to increase significantly due to the current job market.

Non-Dwelling Rent is based on the leases that are projected to be in place in FY 2017 and the 2017 budget for this line-item is \$27,000. Assumptions are based on lease-terms already in place.

Excess Utility Charges to tenants are based on the actual excess utility charges earned through June 30, 2016 annualized for the 2017 fiscal year. 2017 budget for excess utility charges is \$20,000. No increase is projected other than annualizing current year actual income from excess utility charges.

Property Management and Other Fees

These are fees earned by MHA for providing the administrative functions for the Capital Grants awarded to MHA by HUD. HUD allows 10% of Capital grants for administrative functions. MHA Central Office Cost Center (COCC) is budgeted to receive \$890,760 in property management, bookkeeping, management and other fees from the various programs MHA manages. These fees are calculated based on published HUD fee rates for the Public Housing and Section 8 Programs. Fees for Partnership properties are based on terms of LIHTC Partnership agreements. However, these fees are eliminated as interfund revenues in the consolidated revenue presentation.

Interest Income

Interest Income includes interest earned on MHA cash and investments and interest earned on the Investments which are held in trust accounts as security. Interest Income on investments is estimated at .3% annual rate of return for FY2017. The interest income budget for 2017 is \$9,500.

Other Income

Other Income consists of service charges to the residents (including damage charges, late payment charges, etc.) and other miscellaneous revenue (i.e., Leasing fees, various processing fees, satellite dish income, roof-top antennas, etc.) These other income categories are projected to be at \$381,141 for 2017. The 2017 Other Income budget was derived by annualizing the actual revenues received as of June 30, 2016. Service charges to the residents are based on a fee schedule that MHA has established with the Resident Council Board (RCB).

Federal Financial Assistance

Federal Financial Assistance consists of funding from the United States Department of Housing and Urban Development (HUD) in three main categories - Operating Subsidies, Annual Contributions and Housing Assistance Payments.

Operating Subsidies:

Low Rent Housing Program - Operating Subsidies are calculated based on a HUD formula required to be used by all housing authorities. The formula takes into account Rental Income, which is subtracted from an Allowable Expense Level determined by HUD to arrive at the Operating Subsidies. For FY2017, the operating subsidy revenues in Low Rent are projected at 86% of eligibility. MHA projected 2017 operating subsidies by following the latest HUD guidelines.

Annual Contributions:

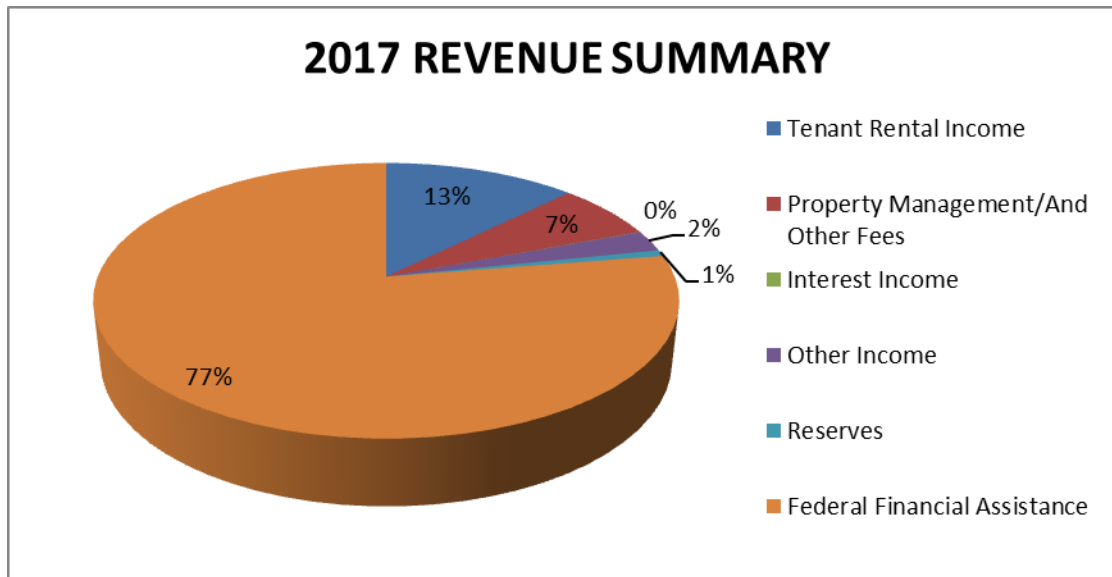
Section 8 Program - By contract with HUD, Annual Contributions are paid to MHA based on the estimates needed to make payments to the owners of Section 8 property that MHA has leased under the Section 8 program. 95% leasing is projected for 2017. These payments are projected based on the average HAP paid for the months ending September 2016 and multiplying that amount by the baseline unit count.

Low Rent Housing Program - By contract with HUD, Annual Contributions are paid to MHA for Capital Funds. HUD uses a formula of public housing unit characteristics to determine the annual funding of the Capital Grants. MHA estimated 2017 budget based on the available balances of grants awarded as of December 31, 2016.

2017 REVENUE SUMMARY

PROGRAM/FUND	TENANT RENTAL INCOME	PROPERTY MANAGEMENT/AND OTHER FEES	INTERST INCOME	OTHER INCOME	FEDERAL FINANCIAL ASSISTANCE	OPERATING RESERVES	TOTAL
COCC		\$890,760	\$7,000	\$130,000	\$111,828	\$137,275	\$1,276,863
LOW RENT	\$1,830,000			\$ 133,000	\$1,687,500		\$3,650,500
SECTION 8		\$1,135,743	\$2,500	\$ 104,000	\$11,550,000	\$0	\$12,792,243
COMPONENT UNITS	\$604,954			\$14,141	\$0	\$205,278	\$824,373
CAPITAL GRANT					\$1,118,275		\$1,118,275
ELIMINATIONS							\$0
ELIMINATE							
INTERFUND							
ITEMS		(\$786,693)					(\$786,693)
TOTALS	\$2,434,954	\$1,239,810	\$9,500	\$381,141	\$14,467,603	\$342,553	\$18,875,561

Note: This schedule shows the summary of all revenue sources of MHA by program.



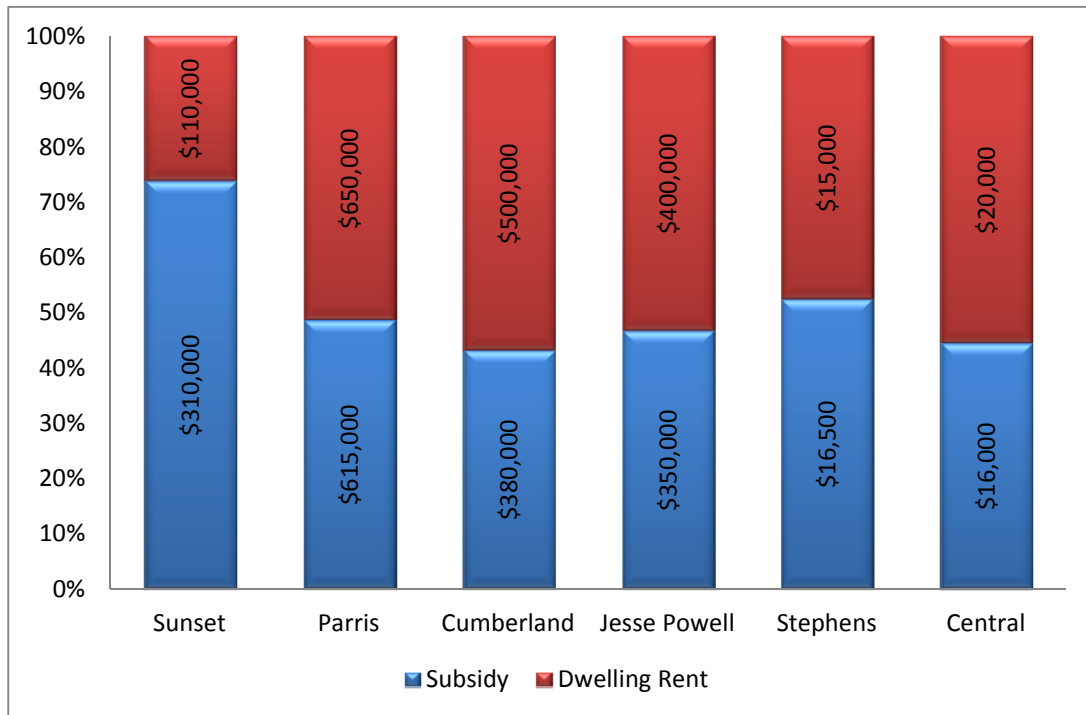
REVENUE SUMMARY

5 YEAR REVENUE TREND

The following table outlines the projected revenues from all funding sources: Low Rent, Capital Grants, Section 8 Tenant Based Voucher Programs, Section 8 Project Based Assistance, , and non-HUD revenues.

Revenue Sources	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Low Rent						
Operating Subsidy (+2%/yr)	\$1,664,640	\$1,697,933	\$1,731,891	\$1,766,529	\$1,801,860	\$1,837,897
Rental Income (+2%/yr)	1,873,740	1,911,215	1,949,439	1,988,428	2,028,196	2,068,760
Other Income (+2%/yr)	121,380	123,808	126,284	128,809	131,386	134,014
Subtotal Low Rent	3,659,760	3,732,956	3,807,614	3,883,766	3,961,442	4,040,671
Capital						
Capital Grant Fund (+3%/per yr)	892,850	919,636	947,225	975,642	1,004,911	1,035,058
Subtotal Capital	892,850	919,636	947,225	975,642	1,004,911	1,035,058
Section 8 Tenant Based Vouchers						
HAP Subsidy (+1%/yr)	11,665,500	11,782,155	11,899,977	12,018,976	12,139,166	12,260,558
Administrative Fees (+ 1%/yr)	1,147,100	1,158,571	1,170,157	1,181,859	1,193,677	1,205,614
Interest Income	2,500	2,500	2,500	2,500	2,500	2,500
Other Income (+1%/yr)	4,040	4,080	4,121	4,162	4,204	4,246
Subtotal Section 8	12,819,140	12,947,306	13,076,755	13,207,497	13,339,547	13,472,918
Non-HUD Revenues						
Rents/Component Units (+2%/yr)	526,793	537,329	548,076	559,037	570,218	581,622
Other Income (+1%/yr)	102,681	103,707	104,745	105,792	106,850	107,919
Subtotal Non-HUD Revenues	629,474	641,036	652,821	664,829	677,068	689,541
Grand Total	\$18,001,224	\$18,240,934	\$18,484,415	\$18,731,734	\$18,982,968	\$19,238,188

RENTAL INCOME AND HUD SUBSIDY COMPARISON - PUBLIC HOUSING BY PROJECT Per Unit per Month (2017 Budget)



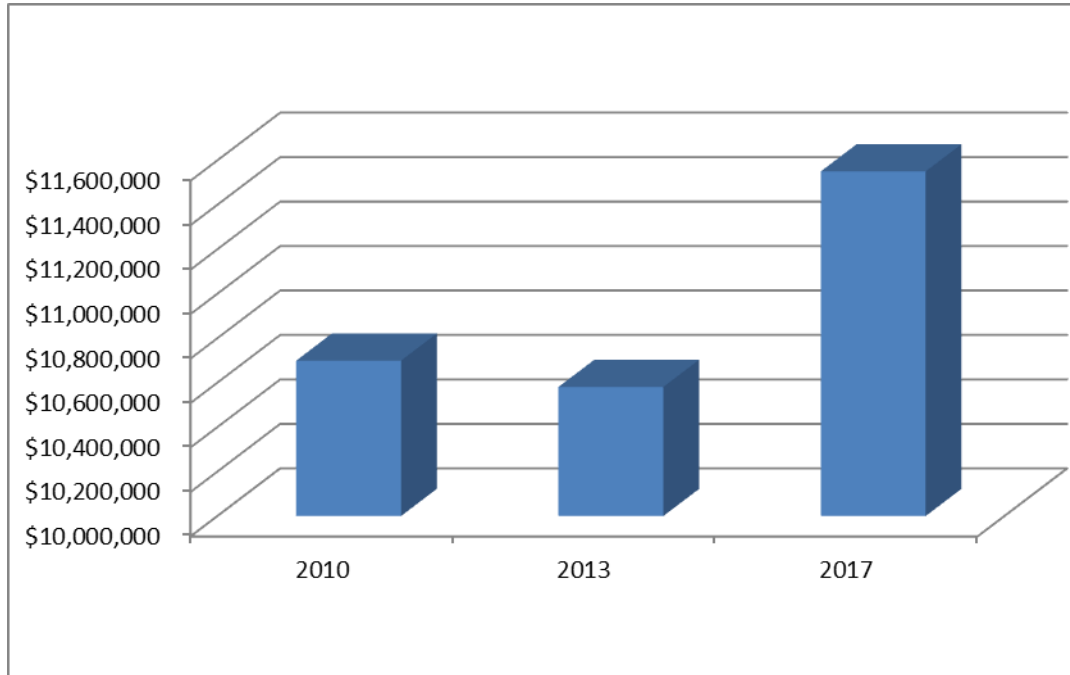
Note: This schedule shows how much average monthly rents are received from tenants for each public housing development and how much average federal operating subsidies are received per unit per month for the same housing development. Amount of Public Housing operating subsidy is funded by HUD by taking the project expense level (PEL) for each AMP and adding the utility expense level (UEL) for each AMP, which is then reduced by the rental income collected by the AMP. PEL is determined by HUD based on the type, age and other factors of each AMP.

METROPOLITAN HOUSING ALLIANCE
2002, 2008 AND 2017 RENTAL UNIT COMPARISON

Development	2002	2008	2017	2002 vs 2017
Public Housing Units	995	902	902	(8%)
Section 8 Units	1901	1867	2,262	19%
Total	2,896	2,769	3,164	9%

MHA SECTION 8 HAP/UNIT HISTORICAL DATA

Section 8 HAP/Unit Trend Chart



This graph depicts the inconsistent change of HAP payments from HUD for the Section 8 Program from FY 2010 to FY 2017. The schedule below shows that during this period, the Section 8 Voucher count decreased from 22,567 in FY 2010 to 21,743 in FY 2013. Section 8 Voucher count increased from FY2013 to FY2017. Per unit monthly HAP assistance varies based on tenant income, fair market rent, and number of bedrooms in a unit.

REVENUE PROJECTIONS

	2010	2013	2017
Section 8 HAP Assistance	\$ 10,698,630	\$ 10,580,500	\$ 11,550,000
Per Unit Monthly HAP Assistance	\$ 474.08	\$ 486.62	\$ 447.90

HISTORICAL CAPITAL GRANT FUNDING

CAPITAL GRANT FUNDS	GRANT 2008	GRANT 2009	GRANT 2010	GRANT 2011	GRANT 2012	GRANT 2013	GRANT 2014	GRANT 2015	GRANT 2016	TOTAL
Physical Improvements	\$27,172	\$106,377			\$10,000					\$143,549
Management Improvements	\$107,006	\$50,130	\$53,887	\$161,835	\$177,515	\$157,714	\$152,480	\$138,600	\$156,558	\$1,155,725
Non-dwelling Structures and Equipment		\$258,444			\$169,802					\$428,246
Non-dwelling Equipment	\$27,726	\$15,420			\$231,500					\$274,646
Fees and Cost	\$104,188	\$201,100	\$200,000	\$100,000	\$200,000				\$56,620	\$861,908
Dwelling Structures	\$438,571	\$446,529	\$83,730			\$542,000	\$169,925	\$581,645	\$155,269	\$2,417,669
Dwelling Equipment	\$89,165		\$815,775	\$760,875			\$440,000			\$2,105,815
Administration	\$126,706	\$131,856	\$131,612	\$121,495	\$88,758	\$78,857	\$84,711	\$86,600	\$111,828	\$962,423
Audit	\$1,000	\$11,000	\$10,000	\$10,000	\$10,000	\$10,000		\$10,000		\$62,000
Demolition	\$141,767							\$50,000	\$75,000	\$266,767
Other-Relocation	\$250								\$263,000	\$263,250
Contingency	\$44,701									\$44,701
Operations		\$45,000	\$21,113	\$60,748						\$126,861
Site Acquisition									\$300,000	\$300,000
Development Activity	\$158,807	\$52,700								\$211,507
TOTAL	\$1,267,059	\$1,318,556	\$1,316,117	\$1,214,953	\$887,575	\$788,571	\$847,116	\$866,845	\$1,118,275	\$9,625,067

	2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL
RHF		\$286,019	\$604,014	\$514,862	\$705,707	\$436,049	\$384,131	\$375,671	\$180,677	\$22,755,372
ARRA Formula Grant		\$2,630,644								\$25,242,467
ARRA Competitive Grant		\$3,916,707								\$28,003,449
ROSS Grant			\$141,000							\$27,716,203
TOTAL	\$0	\$6,833,370	\$745,014	\$514,862	\$705,707	\$436,049	\$384,131	\$375,671	\$180,677	\$37,617,038

*Capital Grant funding (CFP) is provided by HUD to housing authorities based on a formula based on funding appropriated by Congress to HUD. CFP can only be used for public housing units and facilities. *Replacement Housing Factor (RHF) funding is provided by HUD to housing authorities based on a formula to replace demolished public housing units. FY2001 was the first year MHA received RHF funding from HUD. The 2010 to 2015 funding was authorized under two grants

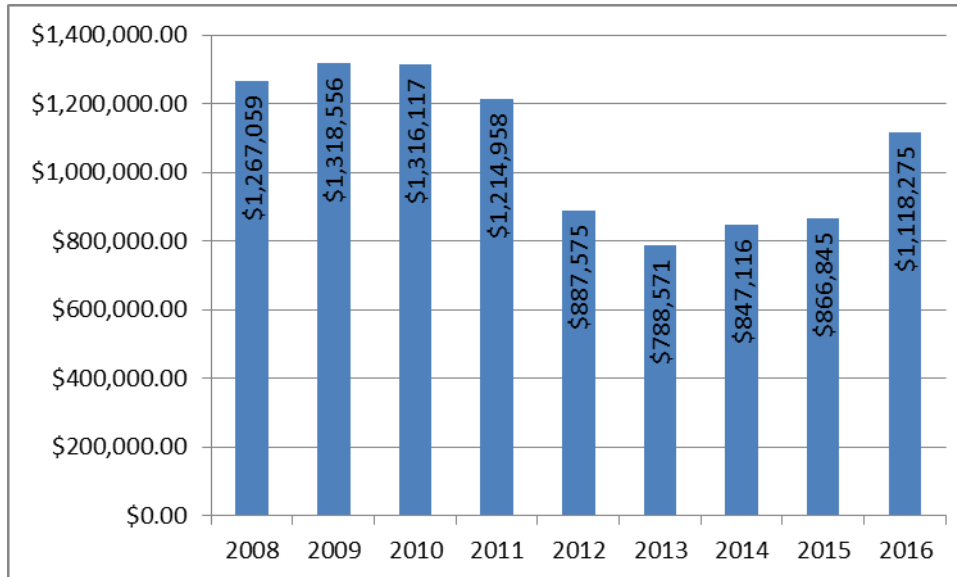
METROPOLITAN HOUSING ALLIANCE
FEDERAL FINANCIAL ASSISTANCE HISTORICAL DATA

PROGRAM	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Capital Grant Funding	\$1,176,931	\$1,424,868	\$1,418,931	\$1,446,139	\$1,509,929	\$1,267,059	\$1,318,556	\$1,316,117	\$1,214,953	\$887,575	\$788,571	\$847,116	\$866,845	\$1,118,275
Replacement Housing Factor (HUD funding for Public Housing replacement)	293,133	277,607	228,410	264,524	301,925	417,202	248,016	261,339	494,296	760,799	562,395	384,131	375,671	180,677
ARRA Grant														
Operating Subsidy (HUD)	1,810,668	1,819,879	2,014,797	188,640	2,588,231	2,277,710	2,514,807	2,265,753	1,900,426	1,631,941	1,344,000	1,580,430	1,548,918	1,708,615
Section 8 HAP Assistance* (HUD)	9,599,000	10,660,000	10,790,000	10,800,964	11,011,196	11,472,000	10,164,676	12,309,078	12,142,381	9,735,506	11,304,959	10,434,404	12,452,931	13,853,291
Public Housing					104,180	104,180		172,668	38,000		38,000			
Total	\$12,879,732	\$14,182,354	\$14,452,138	\$12,700,267	\$15,515,461	\$15,538,151	\$14,246,055	\$16,324,955	\$15,790,056	\$13,015,821	\$14,037,925	\$13,246,081	\$15,244,365	\$16,860,858
Rental Income	\$1,461,610	\$1,432,013	\$1,314,019	\$1,488,109	\$1,433,481	\$1,435,429	\$1,461,370	\$1,722,185	\$1,566,876	\$1,607,769	\$1,698,084	\$1,719,260	\$1,776,822	\$1,689,225

*Includes Section 8 administration fees provided to MHA by HUD for all Section 8 programs.

**The FY2016 income amount is not final as of this writing.

CAPITAL GRANT FUNDING BY YEAR 2008-2016

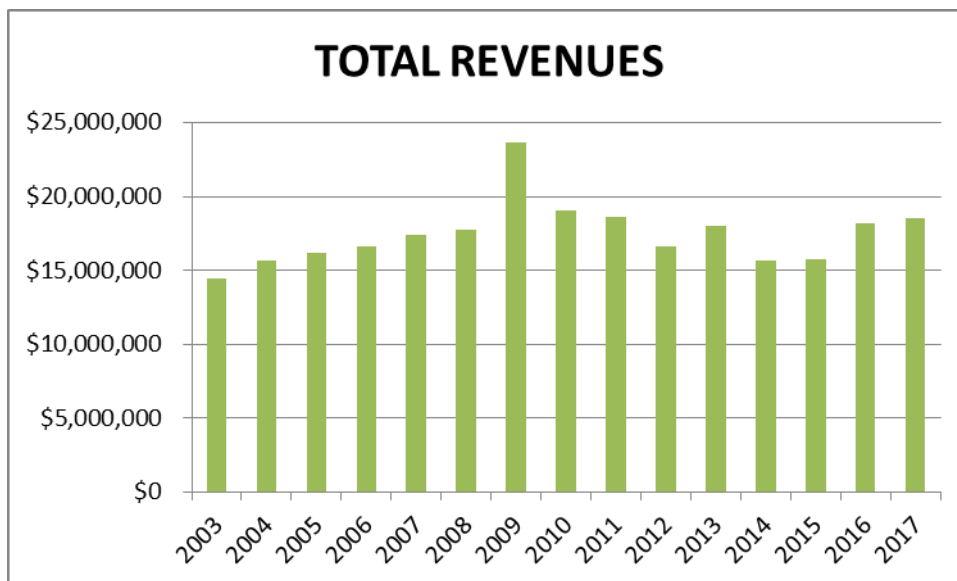


HISTORICAL REVENUE SUMMARY

2003 - 2017

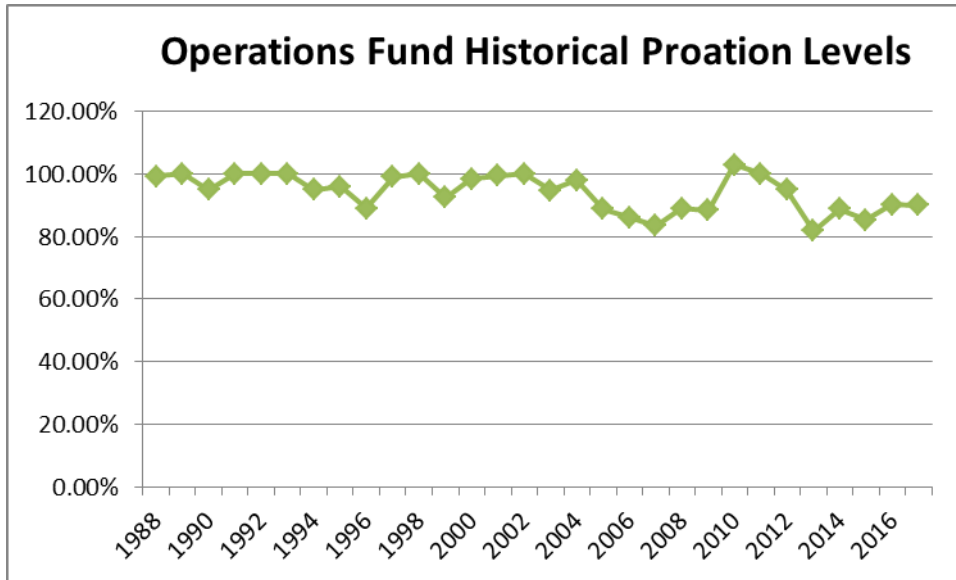
	RENTAL INCOME	INTEREST INCOME**	OTHER INC. AND CONTRIB.	FEDERAL FINANCIAL ASSISTANCE	CAPITAL FINANCING	USE OF REPL/OPRTG RESERVES	MGMT & OTHER FEES	TOTAL
2003	\$1,432,013	\$45,665	\$129,220	\$12,879,732	N/A	\$0	N/A	\$14,486,630
2004	\$1,314,019	\$50,800	\$143,540	\$14,182,354	N/A	\$0	N/A	\$15,690,713
2005	\$1,488,109	\$96,364	\$115,744	\$14,452,138	N/A	\$0	N/A	\$16,152,355
2006	\$1,433,481	\$149,893	\$631,564	\$14,400,267	N/A		N/A	\$16,615,205
2007	\$1,435,429	\$210,081	\$253,500	\$15,515,461	N/A	\$0	N/A	\$17,414,471
2008	\$1,461,370	\$150,577	\$167,196	\$15,433,971	N/A		N/A	\$17,779,662
2009	\$1,722,185	\$176,512	\$228,608	\$20,793,405	N/A	\$0	\$713,774	\$23,634,485
2010	\$1,566,876	\$124,985	\$258,223	\$16,324,955	N/A	\$0	\$806,335	\$19,081,374
2011	\$1,607,769	\$138,892	\$315,130	\$15,790,056	N/A	\$0	\$766,342	\$18,618,189
2012	\$1,698,084	\$105,000	\$482,484	\$11,160,130	N/A	\$2,220,000	\$937,096	\$16,602,794
2013	\$1,749,361	\$61,938	\$1,482,484	\$14,214,230	N/A	\$0	\$887,005	\$17,976,990
2014	\$2,429,142	\$230,612	\$971,246	\$14,470,036	N/A	\$0	\$867,256	\$18,968,292
2015	\$1,784,643	\$173,814	\$670,144	\$15,328,607	N/A	\$0	\$860,228	\$18,817,436
2016 Budget	\$2,353,464	\$9,500	\$446,348	\$14,141,872	N/A	\$0	\$1,239,810	\$18,190,994
2017 Budget	\$2,434,954	\$9,500	\$381,141	\$14,467,603	N/A	\$0	\$1,239,810	\$18,533,008

*For FY 2003-2015, data. Source document is the MHA Comprehensive Annual Financial Report (CAFR).



REVENUE PROJECTIONS

OPERATING FUND HISTORICAL PRORATION LEVELS



Year	Proration Level	Year	Proration Level	Year	Proration Level
1988	99.32%	1998	100.00%	2008	88.96%
1989	100.00%	1999	92.50%	2009	88.42%
1990	95.00%	2000	98.50%	2010	103.00%
1991	100.00%	2001	99.50%	2011	100.00%
1992	100.00%	2002	100.00%	2012	94.97%
1993	100.00%	2003	94.70%	2013	81.86%
1994	95.00%	2004	98.10%	2014	88.79%
1995	96.00%	2005	88.80%	2015	85.36%
1996	89.00%	2006	86.02%	2016	90.21%
1997	99.00%	2007	83.40%	2017	90.00%

*2017 proration not final as of this writing.

Note: HUD has not funded operating subsidy for public housing authorities at 100percent for majority of the last few years. The above chart and graph show the historical funding levels of public housing operating subsidies.

GENERAL INFORMATION

GENERAL INFORMATION

This section of the Budget Document provides additional information for MHA in relation to specific topics. The items included are:

- ◆ Budget Process
- ◆ MHA's Performance Indicators
- ◆ MHA Unit Characteristics and Unit Composition`
- ◆ MHA's Non-Residential Property Information
- ◆ Client and Employee Demographics

BUDGET PROCESS

PURPOSE

The budget process provides MHA with a method to prepare, review and revise its budget with the maximum amount of input from all management levels. A comprehensive annual budget will be prepared for all MHA funds.

STRATEGIC PLANNING PROCESS

With guidance from the MHA's Budget and Finance Committee and from direct input from the MHA departmental managers and division heads, the Finance department prepares the New Year budget. The Executive Director makes the cuts that are necessary to present a balanced budget for the Board to approve. Before Board approval, various workshops on the budget are conducted with the MHA Employee Union and the MHA Executive Staff Committee.

Annually, the Board of Commissioners of the Little Rock Housing Authority holds a retreat with the Executive Director and senior staff to review goals and accomplishments for the year and to set goals and objectives for the upcoming year. During these sessions, decisions on multi-year capital improvements and community vision statements are identified and approved. The MHA Board has a Budget and Finance Committee comprising of three MHA Board members. The goals and objectives established by the MHA Board on an annual basis further HUD's mission for MHA to improve the condition of affordable housing in the City and County of Little Rock. Contractually, MHA is required to submit an Agency Plan comprising of an annual plan and a five-year plan to HUD. The plans, statements, policies, etc. set forth in the Agency Plan are the foundations upon which MHA establishes its goals and objectives for the coming year. Budget staff prepares the budget for the coming year based on these goals and objectives set by the MHA Board.

BOARD RESOLUTION

A single Resolution is passed by the Board of Commissioners approving appropriations for the ensuing fiscal year.

DESCRIPTION OF THE BUDGET

The budget is an annual planning tool with revisions occurring at various times as needed. Budget revisions require various levels of approvals based on the nature of the revision.

BUDGET PROCESS

FUNCTION OF THE BUDGET DOCUMENT

The budget is a policy document that outlines the financial resources to obtain the goals and objectives of the Housing Authority. It is a financial plan that provides a consolidated picture of all operating and financing activities. It includes reflecting the financial and operational structures of the Housing Authority. It is an operations guide that explains the relationship between departments and provides specific objectives and performance measures/targets. It is also a communication device that provides summary information that can be understood by the staff, the Board of Commissioners and the Public.

BASIS OF BUDGETING AND ACCOUNTING

All of the accounts of MHA are reported as Enterprise Funds. For MHA's purposes, funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting and budgeting. Revenues are recognized when earned and expenses are recorded at the time liabilities are incurred. Encumbrances are not recorded as expenditures. Expenses are recorded at the time goods and services are received. Annual budget appropriations for all funds lapse at fiscal year end.

The Comprehensive Annual Financial Report (CAFR) reports MHA's accounting information utilizing "generally accepted accounting principles" (GAAP). This matches the reporting basis used for the budget with the following exceptions:

- Compensated absences liabilities that are to be liquidated with current financial resources are expensed when earned by employees (GAAP) rather than being expensed when paid (budget).
- On long-term debt, the full amount of interest and principal is budgeted as expenditure. For GAAP purposes, only the interest is expensed. The principal amount paid reduces the liability balance of long-term debt.
- Contribution to Replacement Reserves are recorded as assets on a GAAP basis and expended on a budget basis.
- Capital outlays are recorded as assets on a GAAP basis and expended on a Budget basis.
- Depreciation expense is not budgeted, but is recorded only for GAAP purposes.

MHA is not legally required to adopt budgets for its various funds; however, MHA has contractual requirements to adopt budgets for each HUD program.

BUDGET PROCESS

BUDGET PREPARATION

MHA has an Executive Committee consisting of the Executive Director and all division Chiefs. The Executive Committee in concert with MHA Board's Finance Committee defines MHA's budgetary goals, and analyzes and resolves budgetary problems. The Finance Manager and Budget Officer constitute the core working group for the creation of the MHA budget. By midyear, departmental goals and objectives are developed in preparation for the next year's budget. Salaries for all approved positions for the coming year are projected to reflect all scheduled changes and automatically loaded to MHA's budget module from the payroll system. Each manager is furnished with a worksheet showing historical budget data for each account of his/her department. This worksheet is automatically preloaded for next year's budget numbers with the current year approved budget, which provides the managers with an initial starting point in preparing their budgets. Each manager's request is reviewed by the division Chief and submitted to Finance, after which Finance produces the summarized preliminary budget for the Budget Committee. The Budget Committee reviews, balances the budget and submits it to the Finance Committee of Board of Commissioners. Then the proposed budget document is submitted to the full Board, the MHA Employee and placed for public comments. One or two working sessions are conducted with the MHA union to explain the proposed budget. A working session is also scheduled with the Board of Commissioners to answer their questions and concerns. The budget is approved at the December Board meeting. The official budget document is then sent to Government Finance Officers' Association (GFOA) for the Distinguished Budget Presentation Award. The MHA Budget document is also published for the public on MHA's website at www.mhapha.org.

MEASUREMENT OF BUDGETARY PERFORMANCE

The Budget Department signs off on all accounts payable vouchers for availability of funds after an on-line check of the account. There is an encumbrance function for purchase orders as well as a real-time check as to the availability of funds for all purchase orders issued by the Purchasing Department. Each month the Board of Commissioners is given budget-to-actual reports for all MHA funds with explanations of all material variances. Each project manager is given a monthly budget-to-actual report for his/her area of responsibility within 15 days of the close of the month with a copy forwarded to the respective Division Chiefs.

BUDGET PROCESS

BUDGET AMENDMENTS

Budget amendments are handled with four different levels of approval based on the type of revision, modification, adjustment or change. In all cases, a request for the amendment is submitted for approval to the appropriate authorization level as shown below. Upon approval, the request is submitted to the Budget Department, where the amendment is entered into the General Ledger computer system. Budget amendments for HUD programs are submitted to HUD for approval based on HUD's established criteria.

Board of Commissioners (by resolution) –

- 1) Appropriation of the use of Reserves
- 2) Formal revisions required by HUD

Executive Director and/or Chief Financial Officer–

- 1) Adjustments that affect more than one program/division within MHA

Division Chiefs –

- 1) Adjustments within their division (that affect more than one department)

Managers –

- 1) Budget changes within their department.

BUDGETARY CONTROL LEVEL

Cost center is the level of budgetary control in each fund. Revisions that affect the total expenditure of any cost center have to be approved by the Chief Operating Officer in charge of that cost center and program or the Executive Director.

BUDGET DOCUMENT PREPARATION

Ron Hooks, Finance Manager is responsible for the preparation of MHA's budget document.

BUDGET PROCESS

Activity _	Responsible Party	Scheduled Due Date	Status
Final posting of December 31, 2015 general ledger	Finance	January 31, 2016	Completed
Planning meeting with Budget Team	Budget Team	July 28, 2016	Completed
Budget preparation worksheets sent to all	Finance	July 28, 2016	Completed
Organization Chart/Position controls and salary/benefit budgets completed in Finance under the direction of the Executive Director	Finance and Executive Division	August 18, 2016	Completed
Request for updated divisional goals and objectives sent to Senior Management	Management and Executive Division	August 18, 2016	Completed
Managers' completed preliminary budget requests submitted	Management and Finance	August 25, 2016	Completed
Budgets including capital budgets and goals and objectives submitted to Finance	Budget Team	August 25, 2016	Completed
Preliminary Operating Subsidy Contributions	Finance	August 25, 2016	Completed
Budgets complete and submitted to the E.D	Finance and Executive Division	September 8, 2016	Completed
Section 8 Mod Rehab 2015 budgets submitted to HUD	Section 8 and Finance	September 30, 2016	Completed
Presentation of the proposed budget to the Board	Board and Budget Team	October, 2016	Completed
Low Rent subsidy calculations submitted to HUD	Section 8	November 28, 2016	Completed
Work sessions for the Board, Central Office Managers	Board and Budget Team	November, 2016	Completed
Final Board approval	Board	December, 2016	Scheduled

MHA'S PERFORMANCE INDICATORS

MHA operates two major federal housing programs: the Public Housing program and the Section 8 program. These two programs are assessed by HUD each year and these assessments carry a lot of significance to each housing authority.

PUBLIC HOUSING ASSESSMENT SYSTEM

The Public Housing Assessment System (PHAS) was established by the Department of Housing and Urban Development (HUD) by final rule published on September 1, 1998. Under the PHAS, HUD evaluates a public housing agency (PHA) based on four key indicators: (1) The physical condition of the PHA's properties; (2) the PHA's financial condition; (3) the PHA's management operations; and (4) the PHA's management of the Capital Fund.

MHA'S OVERALL PHAS SCORE

PHAS Indicator	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Maximum Score
Physical	34	34	34	34	24	40
Financial	20	23	19	20	22	25
Management	15	12	12	14	9	25
Capital Fund	10	5	5	10	10	10
PHAS Total Score	79	74	70	78	65	100

In order to determine a composite score, the four PHAS Indicators are individually scored and then combined to present a composite score that reflects the overall performance for a total of 100 possible points. Based on its overall PHAS score, a PHA falls into one of three categories:

1. High Performer. A PHA that achieves a score of at least 60 percent of the points available under each of the four PHAS Indicators, and achieves an overall score of 90 percent or greater is designated a high performer.
2. Standard Performer. A PHA that achieves a total score of less than 90 percent but not less than 60 percent is designated a standard performer.
3. Troubled Performer. A PHA that achieves a total score of less than 60 percent of the total points available is designated as a troubled performer and referred to HUD's Troubled Agency Recovery Center for oversight and remedial action.

PHAS INDICATOR 1 - PHYSICAL CONDITION

1. PHAS Indicator #1 – Physical Condition of PHA Properties
Responsible Department(s) – Housing Management Division

A PHA must maintain its public housing in a manner that meets HUD's Uniform Physical Condition Standards. These standards are intended to ensure that public housing is maintained in a condition that is decent, safe, sanitary and in good repair. The standards address six major areas of the housing to be evaluated:

- (1) Site;
- (2) Building exterior;
- (3) Building systems;
- (4) Dwelling units;
- (5) Common areas; and
- (6) Health and safety

The total point value of the Physical Condition Indicator is 30 of the 100 points available under the PHAS. In order to receive a passing score on the Physical Condition Indicator, a PHA must receive a score of at least 60 percent of the 30 points available.

PHAS INDICATOR 2 - FINANCIAL CONDITION

2. PHAS Indicator #2 – Financial Condition

Responsible Department(s) – Finance Division

This indicator measures whether a PHA has sufficient financial resources and is managing those financial resources effectively to support the provision of decent, safe, and sanitary housing to its residents. A PHA's financial condition is measured on the basis of uniform financial reporting standards. The key indicators used to determine a PHA's financial condition include:

- (1) Current Ratio – current assets divided by current liabilities;
- (2) Number of Months Expendable Fund Balance – number of months a PHA can operate on the Expendable Fund Balance without additional resources;
- (3) Tenant Receivable Outstanding – average number of days tenant receivables are outstanding;
- (4) Occupancy Loss – loss of potential rent due to vacancy;
- (5) Net Income or Loss divided by the Expendable Fund Balance – measures how the year's operation have affected the PHA's viability.
- (6) Expense Management/Utility Consumption – expense per unit for key expenses, including energy consumption, and other expenses such as utilities, maintenance, security;

The total point value of the Financial Condition Indicator is 30 of the 100 points available under the PHAS. In order to receive a passing score on the Financial Condition Indicator, a PHA must receive a score of at least 60 percent of the 30 points available.

PHAS INDICATOR 3 – MANAGEMENT OPERATIONS

3. PHAS Indicator #3 – Management Operations

Responsible Department(s) – Housing Management Division

This indicator basically reflects the requirements of the PHMAP, the predecessor to the PHAS. There has been some minor reorganization, which is designed to reflect their integration into the broader PHAS assessment and to establish their new point values within the PHAS. The Management Operations indicators are:

- (1) Vacancy unit turnaround time;
- (2) Capital Fund;
- (3) Total Work Orders;
- (4) Annual Inspections – Units and Systems;
- (5) Security of Public Housing; and
- (6) Economic Self-Sufficiency

The total point value of the Management Operations Indicator is 30 of the 100 points available under the PHAS. In order to receive a passing score on the Management Operations Indicator, a PHA must receive a score of at least 60 percent of the 30 points available.

4. PHAS Indicator #4 – Capital Fund

Responsible Department(s) – Housing Management, Capital Funds Program, Finance

The Capital Fund program indicator score provides an assessment of a PHA's ability to obligate Capital Fund program funds in a timely manner, as well as a PHA's occupancy rate. The computation of the score under this PHAS indicator utilizes data obtained through analysis of obligated amounts in HUD's eLOCCS (or its successor) for all Capital Fund program grants that were open during the assessed fiscal year and PIC (or its successor) data as of the PHA's assessed Fiscal Year End. Scores are first calculated for each subindicator. From the two subindicator scores, an indicator score is then calculated.

- (1) **Timeliness of Fund Obligation**- The PHA will earn the full points if it has obligated 90 percent or more of the grant amount for all of its grants on its obligation end date, or on the extended obligation end date, for all open Capital Fund program grants that have obligation end dates during the assessed fiscal year and does not have any grants that have been sanctioned pursuant to § 9(j) of the 1937 Act during the assessed fiscal year.
- (2) **Occupancy rate**- This subindicator measures the PHA's occupancy rate as measured at the end of the PHA's fiscal year, which is calculated by dividing the total occupied assisted, HUD approved special use, and non-assisted units by the total ACC units less the total uninhabitable units as reflected in the Inventory Management System/PIC, or its successor. This information will be calculated as of the end of the PHA's fiscal year. A PHA will receive 2 points if it has an adjusted occupancy rate of at least 93 percent but not more than 96 percent. A PHA will receive 5 points if it has an adjusted occupancy rate of 96 percent or more.
- (3) The timeliness of fund obligation sub-indicator is a scoring threshold. Failure to meet this sub-indicator results in 0 points for the indicator.
- (4) The occupancy rate computation measures the adjusted occupancy at the PHA level. If the timeliness of fund obligation is scored, the PHA can receive 0, 2 or 5 points for this occupancy measure.

The total point value of the Capital Fund Program is 10 of the 100 points available under the PHAS. A PHA will not receive any points under this indicator if they fail to obligate all capital funds received in a timely manner.

SECTION 8 MANAGEMENT ASSESSMENT PROGRAM

The Section 8 Management Assessment Program (SEMAP) measures the performance of PHA's that administer the housing choice voucher program. 2000 was the first year in which PHA's were formally evaluated under SEMAP. There are 14 indicators of performance that show whether PHA's help eligible families afford decent rental units at a reasonable subsidy cost as intended by Federal housing legislation. The 14 key indicators of PHA performance are:

1. Proper selection of applicants from the Housing Choice Voucher waiting list;
2. Sound determination of reasonable rent for each unit leased;
3. Accurate verification of family income
4. Maintenance of a current schedule of allowances for tenant utility;
5. Timely annual housing quality inspections;
6. Ensure units comply with the Housing Quality Standards (HQS) before families enter into leases and PHA's enter into housing assistance contracts;
7. Expand housing choice outside areas of poverty or minority concentration; and
8. Establishment of Payment Standards within the required range of the HUD fair market rent;
9. Timely annual reexaminations of family income;
10. Correct calculation of the tenant share of the rent and the housing assistance payment;
11. Performing of Quality Control Inspections to ensure housing quality;
12. Ensure that landlords and tenants promptly correct Housing Quality Deficiencies;
13. Ensure that all available Housing Choice Vouchers are used;
14. Enroll families in the Family Self-Sufficiency (FSS) program as required and help FSS families achieve increases in employment income.

SEMAP is used to remotely measure PHA performance and administration of the Housing Choice Voucher program. SEMAP uses HUD's national database of tenant information and information from audits conducted annually by independent auditors. HUD annually assigns a rating on each of the 14 indicators and an overall performance rating. Based on its overall SEMAP score, a PHA falls into one of three categories:

1. High Performer. A PHA that achieves a score greater than or equal to 90 percent of the points available is designated a high performer.
2. Standard Performer. A PHA that achieves a score of 60 to 89 percent is designated a standard performer.
3. Troubled Performer. A PHA that achieves a score of less than 60 percent of the total points available is designated as a troubled performer.

MHA'S SEMAP SCORING

	INDICATOR	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Maximum Score
1	Selection from Waiting List	15	15	15	15	15	15	15
2	Reasonable Rent	15	20	20	20	15	20	20
3	Determination of Adjusted Income	0	20	15	15	15	15	20
4	Utility Allowance Schedule	5	5	5	5	5	5	5
5	HQS Quality Control	5	0	0	5	0	0	5
6	HQS Enforcement	0	0	10	10	10	0	10
7	Expanding Housing Opportunities	5	5	5	5	5	5	5
8	Payment Standards	5	5	5	5	5	5	5
9	Timely Annual Reexaminations	10	10	10	10	10	10	10
10	Correct Tenant Rent Calculations	5	5	5	5	5	5	5
11	Pre-Contract HQS Inspections	5	5	5	5	5	5	5
12	Annual HQS Inspections	10	0	10	10	10	10	10
13	Lease-Up	20	0	20	20	15	20	20
14	Family Self-Sufficiency	10	10	0	10	10	5	10
15	Deconcentration Bonus-5 points	0	0	0	0	0	0	0
	Total SEMAP Score	110	100	125	140	125	120	145
	Percent Score	76%	69%	93%	97%	86%	83%	100%

NUMBER OF DWELING UNITS

<i>Dwelling Units by Year</i>	<u>Public Housing</u>	<u>Section 8 Programs</u>	<u>TOTAL</u>
2016	902	2,262	3,164
2015	902	2,083	2,985
2014	902	2,083	2,985
2013	902	2,083	2,985
2012	878	2,083	2,961
2011	878	2,043	2,921
2010	996	2,043	3,039
2009	996	2,043	3,039
2008	996	2,043	3,039
2007	996	2,043	3,039
2006	1,076	2,043	3,119
2005	NA	2,043	NA

2016 Dwelling Units Breakdown by Management Area*	
Section 8 Programs	2,262
Parris Towers	251
Cumberland Towers	180
Sunset Terrace	74
Powell Towers	169
Madison Heights I	59
Madison Heights II	38
Madison Heights III	20
Madison Homes at Granite Mountain	40
Cumberland Manor	17
Metropolitan Village	17
Park Central	5
Stephens	8
Granite Mountain Senior Homes	24
Total Units	3,164

Metropolitan Housing Alliance
Non-Residential Property Information
As of 12/31/2016

	Address	Land Area	
		Sq. Ft.	Acres
34L0200406800	INTERSTATE 630 (frontage rd. between Main & Louisiana)	0.32	0.321212758
34L0200410200	MAIN ST (corner Lot at W. Capital & Main	0	0.080491179
34L0200701800	104 ARCH ST (Admin Office)	0	0.149826001
34L0200803900	COMMERCE ST (portion of MacArthur Park Parking Lot)	0	0.40902168
34L0200905700	I-630 (12th, Center & Louisiana frontage rd. across from Larry's Pizza)	1.93	1.727987231
34L0201011400	I-630 (frontage rd. Center & Spring)	1.2	1.00366842
34L0201104400	BROADWAY (Park at Parris Towers)	0	0.55820637
34L0201501100	W 14TH ST (portion of Parking Lot on Daisy Bates & S. Cross)	0	0.050001055
34L0201501200	W 14TH ST (portion of Parking Lot on Daisy Bates & S. Cross)	0	0.035509599
34L0201501400	W 14TH ST (portion of Parking Lot on Daisy Bates & S. Cross)	0	0.041546349
34L0201604900	I-630 FW (small portion of Lot on S. Cross & W. 9th	0.06	0.057326391
34L0201616300	WRIGHT AVE (Portion of United AME Church)	0	0.058296435
34L0201616400	WRIGHT AVE (Portion of Lot Wright , S. Cross & Pulaski)	0	0.052028188
34L0201616700	CROSS ST (Lot behind 2nd. House on Cross)	0	0.046419894
34L0201617900	WRIGHT AVE (Lot on Corner of Pulaski & Wright)	0	0.058100628
34L0201618200	PULASKI ST (Home)	0	0.126111954
34L0201618500	PULASKI ST (Lot on Wright & Pulaski)	0	0.053912418
34L0201619600	W 16TH ST (Lot behind 3rd house on Pulaski & W. 16th)	0	0.060947544
34L0201619700	W 16TH ST (Lot behind 4th house on Pulaski & W. 16th)	0	0.054373209
34L0201702600	W 13TH ST (2nd House 13th & Daisy Bates)	0	0.200541462
34L0201804500	I-630 (Parking Lot at MLK & W. 9th)	0.06	0.072963743
34L0201804600	I-630 (Parking Lot at MLK & W. 9th)	0.06	0.072964886
34L0201804700	I-630 (Parking Lot at MLK & W. 9th)	0.09	0.128963972
34L0201804800	I-630 (Lot at W. 9th)	0.06	0.066226161
34L0201804900	I-630 (Parking Lot & Lot at MLK & W. 9th)	0.07	0.089647335
34L0460002800	S WOLFE ST (building on South Battery & 7th)	0	1.105975347
34L0480006100	1000 WOLFE (Office Building)	0	0.50041285
34L0920021500	1315 ALLIS ST (Garden)	0	0.046042006
34L1170000100	W 12TH ST (Lot behind Madison Heights Subdivision)	0	7.673139146
34L1170100500	MADISON ST (Madison Heights Office)	0	0.809065265
34L1170300200	13TH ST (Lot in Cul-de-sac of S. Monroe & Madison)	0.62	0.730819331
34L1590007800	1802 ALLIS ST (NSP 2 Lot)	0	0.164158174
34L1850001400	1218 MARTIN LUTHER KING DR	0	0.158460876
34L1850049600	1808 MARSHALL ST (Drive way Lot access to 1804)	0	0.169557098
34L1950000700	W 19TH ST (Lot at 19th and Martin Luther King)	0	0.062912148
34L202.00314.00	2100 RINGO ST (House)	0	2.05924E+13
34L2220008700	E 23RD ST Lot at 19th Pulaski & MLK	0	0.099970552
34L2490010800	2801 CUMBERLAND ST (Lot on corner)	0	0.162589895

GENERAL INFORMATION

34L2490010900	2803 CUMBERLAND ST	0	0.162610816
34L2490011100	2813 CUMBERLAND ST (3rd Lot from corner)	0	0.162614399
34L2520101800	NEW HORIZON LN (SFR Lot on Cumberland)	0.22	0.215575743
34L2520101900	NEW HORIZON LN (SFR Lot on Cumberland)	0.22	0.21400947
34L2560006200	S STATE ST (edge of Crump Park at Fulton intersection)	1.27	0.761138024
34L2560100100	200 TUXEDO CT (Metropolitan Village and Cumberland Manor Offices)	1.09	1.096586168
34L2670000400	2906 CUMBERLAND ST	0	0.057494333
34L2670000600	2908 CUMBERLAND (3rd Lot from East 29th Street)	0	0.114990797
34L2710011700	W 28TH ST (Lot between S. Cross & MLK)	0	0.078116954
34L2710013500	W 26TH ST (Lot between 26th & MLK)	0	0.03484224
34L2710013600	W 26TH ST (Lot between 26th & MLK)	0	0.118780081
34L2710016300	W 26TH ST (Lot between S. Cross & MLK)	0	0.075034189
34L2780005100	W 35TH ST (back portion of Crump Park)	0	0.176070733
34L2780005200	S IZARD ST (W. 35th to Fulton Street)	0	0.927614823
34L2790000200	CHESTER ST (Lot on 3200 block)	0	0.137485834
34L2840003300	E ROOSEVELT RD (Portion of Fairgrounds at W. 34th & Schiller)	3.68	6.534990015
34L2860003700	W. 30TH ST (Lot on Fairground Side of Schiller)	0	0.138788085
34L2860003900	W. 31ST ST (Lot on Corner facing Fairgrounds)	0	0.185840545
34L2860011100	S. SCHILLER ST (2 Lots on Corner of Fairgrounds)	0	1.525938144
34L2900006600	SCHILLER ST (Lot between 34th & Schiller)	0	0.155721577
34L2900007100	SCHILLER ST (Lot on Sunset side of 34th & Schiller)	0	0.151759531
34L3430200001	GILLIAM PARK RD (East of Homes of Granite Mountain)	0	7.843922649
44L0150014500	ARTHUR DR (2nd Lot from 12th)	0	0.138891755
3461170000100	W. 12 TH Street – Land in Phase III of Madison Heights	7.62	7.62

MHA Partnerships				
Project Name	Address	Developer/Sponsor	# of Units	Tax Credit Units
Madison Heights Phase I	4812 W. 14 th Street, Little	University Heights	140	94
Madison Heights Phase II	1401 Madison Street, Little	Madison Heights II	101	83
Madison Heights Phase III	1401 Madison Street, Little Rock, AR 72204	Madison Heights Phase II, L.P./NEF	60	40
			301	217
Cumberland Manor	2801 Scott, Street Little Rock,	Cumberland Manor	60	42
Metropolitan Village	2801 Scott, Street Little Rock, AR 72206	Metropolitan Village L.P./Sun America	60	42
Homes at Granite Mountain	6 Harris Circle, Little Rock, AR 72201	Granite Mountain Development, L.P./ NEF	52	52
Senior Homes at Granite Mountain	100 Hays Drive, Little Rock,	Granite Mountain Senior	40	8
Total			513	361

Note: These are affordable housing residential units developed by other entities in participation with MHA as a special limited

Little Rock Rent and Income Limits FY2016*

Payment Standards (Effective 2017)

	Very-Very Low Income Limit (30% of Median Income)
0 Bedroom	\$581
1 Bedroom	\$619
2 Bedrooms	\$744
3 Bedrooms	\$1,040
4 Bedroom	\$1,173

INCOME LIMITS

Number of persons in the Family	Extremely-Low Income Limit (30% of Median Income)	Very Low Income Limit (50% of Median	Low Income Limit (80% of Median Income)
One	\$13,200	\$22,000	\$35,200
Two	\$16,020	\$25,150	\$40,200
Three	\$20,160	\$28,300	\$45,250
Four	\$24,300	\$31,400	\$50,250
Five	\$28,440	\$33,950	\$54,300
Six	\$32,580	\$36,450	\$58,300
Seven	\$36,730	\$38,950	\$62,350
Eight	\$40,890	\$41,450	\$66,350

*Source: Arkansas Housing and Finance Authority, HUD Release Date: March 28, 2016

GLOSSARY AND ACRONYMS

GLOSSARY OF TERMS

Accrual Basis - The basis whereby transactions and events are recognized when they occur, regardless of when cash is received or paid.

Allocation - Distribution of expenses or revenues according to an approved formula.

Administrative Costs - Costs necessary for the planning, design, implementation and monitoring of the physical and management improvements under HUD's modernization funds.

Annual Contributions Contract - Agreement between local housing authority and HUD, under the provisions of which the federal government guarantees permanent financing of public housing or certain Section 8 projects, as well as to make up the difference between project revenues and debt service on bonded indebtedness through an annual contribution of subsidy paid to the housing authority. The authority guarantees that it will maintain the low-rent character of the project.

Appropriation - An authorization made by MHA Board of Commissioners, which permits the MHA to incur obligations and to make expenditures of resources. An appropriation is a specified sum of money from a specified fund for a specific purpose.

Asset - Resources owned or held by an entity that has monetary value.

Bond - A long-term IOU or promise to pay. It is a promise to repay a specific amount of money (the face value of the bond) on a particular future date (the maturity date). Bonds are generally used to finance capital projects.

Budget - A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them.

Budget Adjustment - A procedure to revise a budget appropriation either by MHA Board approval through the adoption of a supplemental Resolution for any additional appropriations or by the Executive Director for any inter-divisional or inter-fund adjustments or by the Chief Operating

Officers for authorization to adjust appropriations within or between departmental budgets.

Budget Calendar - The schedule of key dates or milestones, which the MHA follows in the preparation, adoption, and administration of the budget. The calendar begins with the issuance of the Budget Preparation Manual and ends with adoption by Resolution of the Budget by the MHA Board of Commissioners.

Budget Document - The instrument used by MHA to present a comprehensive financial program.

Budgetary Control - The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of authorized appropriations and available revenues.

Capital Budget - A plan of proposed expenditures that result in the acquisition of or addition to fixed assets, and the means for financing these expenditures.

Capital Equipment - Chattels which have a useful life of more than one year and a unit cost of at least \$1,000.

Capital Fund Program - The Federal program provided by HUD to provide funds for Capital Improvement, to the Low Rent Housing Program. This program replaces the COMP Grant.

Capital Improvements Program - A plan for capital expenditures to provide long-lasting physical improvements to be incurred over a fixed period of several future years.

Capital Outlays - Expenditures which result in the acquisition of or addition to fixed assets.

GLOSSARY OF TERMS

Capital Outlay - Job Costs - Construction expenditures that result in the creation of a fixed asset.

Capitalized - Term used to describe the process of accounting for an outflow of funds as a fixed asset rather than an expense. The item is expensed over a period of time as depreciation is recorded.

Ceiling Rent - The highest rent that can be charged for a public housing unit by a local housing authority; it cannot exceed the rent that prevails in the locality for comparable, privately owned dwellings.

Clean Audit Opinion - Also called an "Unqualified Opinion" it is a form of audit report issued when the independent auditors believe that the financial statements present fairly the financial position and operating results in conformance with generally accepted auditing standards.

Central Office Cost Center (COCC) - Used by MHA to account for most of the Administrative Departmental Operations.

Compensated Absences - This is a term used to describe the value of vacation time, sick leave or other paid time off that is due to employees for services already rendered and not contingent on any other factors. Compensated absences are generally paid when an employee retires or employment is terminated.

Contributed Capital - One of two main categories on the balance sheet under Equity, which shows what has been contributed to the agency.

Cooperation Agreement - Contract between a local housing authority and the governing body of the municipality in which a public housing project is located, providing for the governing body to furnish municipal services and facilities to the authority - and for the authority, in turn, to make stipulated payments in lieu of taxes to the municipality.

Cooperative - A legal entity permitting a group of members to mutually own certain assets and to share mutually in the benefits derived by the group under the provisions of the entity's rules, regulations, and legal charter.

Date of Full Availability (DOFA) - The last day of the month in which substantially all dwelling units in a project become available for occupancy.

Davis-Bacon Act - An act passed in 1931, and subsequently amended, requiring that all laborers and mechanics employed in certain program of federal financial assistance involving construction activities are paid wage rates no less than those prevailing on similar construction in the locality, as determined by the Secretary of the Department of Labor.

Department - An administrative area of MHA which indicates overall management responsibility for a group of related operations within a functional area.

Depreciation - The process of allocating the total cost of fixed assets over each period of their usefulness to the entity.

GLOSSARY OF TERMS

Division - A group of departments that make up the various divisions: Executive, Finance/Administration, Housing Management, and Section 8/Client Services.

Dwelling Rent Income - Income generated from renting units for residential use.

Encumbrance - The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Enterprise Fund - A fund established to account for operations that are financial and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Equity Transfer - When surplus cash is moved from one fund to another.

Estimated Revenue - The amount of projected revenue to be collected during the fiscal year.

Excess Utility Charges - An amount paid by residents when they exceed the monthly amount they are allotted for utility payments for gas and electricity.

Expenditure/Expense - This term refers to the outflow of funds paid for an asset obtained or goods and services obtained.

Fair Market Rent - Amount established by HUD that sets ceiling rents charged by landlords in the Section 8 program.

Family Self Sufficiency - A HUD program that utilizes rental assistance and public housing funds with public and private resources to provide supportive services, allowing Little Rock Housing Authority residents to achieve economic independence and self-sufficiency.

Federal Financial Assistance - Money received from the federal government, primarily the Department of Housing and Urban Development, to fund program costs.

Fiduciary Responsibility - The legal duty of an agent to act in the best interests of the beneficiary.

Financially Distressed PHA - A local housing authority that has an operating reserve level of 20 percent or less of its authorized maximum or other level as determined by HUD, as shown on the latest year-end financial statement.

Fiscal Year - The time period designated by MHA signifying the beginning and ending period for recording financial transactions. MHA and DHC have specified January 1 to December 31 as their fiscal year.

Fixed Assets - Assets of long-term character which are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

Flat Rent - Rent charged for a public housing unit, established on the basis of unit size, as distinguished from graded rent or income rent.

GLOSSARY OF TERMS

Fund - A fiscal and accounting entity consisting of a balanced set of accounts in which cash and other assets, related liabilities, residual business, and changes therein are recorded and segregated. Eight commonly used fund types in public accounting are: general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, trust and agency funds, internal service funds, and special assessment funds.

Fund Equity - Fund equity is the excess of assets over liabilities and reserves and is, therefore, also known as surplus funds.

General Costs - Includes insurance, employee benefits, payments in lieu of taxes, collection losses and equipment replacement charges.

General Governmental Revenue - The revenues of a government other than those derived from and retained in an enterprise fund.

General Partner Management Fee - A flat fee the Agency Funds pay to Little Rock Housing Corporation to cover administrative expenses incurred for managing the partnerships.

Goal - A statement of broad direction, purpose or intent.

Grant - A contribution by a government or other organization to support a particular function. Grants may be classified as either categorical or block depending upon the amount of discretion allowed the grantee.

Housing Choice Voucher - Combines and replaces the Section 8 Certificate Program and the Section 8 Voucher Program.

Interfund Transfer - Amounts transferred from one fund to another.

Internal Controls - A system of accounting procedures that establishes a method for initiating, recording and summarizing business transactions and provides for separation of duties and accountability for assets.

Investment Policy - A policy approved by the Board of Commissioners that states the investment goals and objectives of MHA and provides for maximizing interest income while maintaining the liquidity and safety of assets.

Line-Item Budget - A budget that lists each expenditure category (Administrative salaries, Administrative supplies & services, etc.) separately, along with the dollar amount budgeted for each specified category.

Long Term Debt - Debt with a maturity of more than one year after the date of issuance.

Low Rent Housing Program - This program is the conventional public housing program whereby the Federal Government provides the funds to acquire or build housing for low-income people. MHA owns and operates the units.

GLOSSARY OF TERMS

Management Fees - A fee the Agency Funds pay to Little Rock Housing Corporation for managing their properties based on a percentage of the Housing Assistance Payment Contract rent.

Management Improvement Costs - Costs to implement programs to increase the housing authority's efficiency, reduce waste, increase the safety and security of the residents, and afford the residents the opportunity to break generations of poverty.

Managing Agent - The person or entity that makes decisions on behalf of a partnership.

MHA - Refers to the METROPOLITAN HOUSING ALLIANCE.

MHA Board - Refers to the Board of Commissioners of the METROPOLITAN HOUSING ALLIANCE.

Mixed Income Development - Housing developments that are comprised of market rate and low-income units.

Modernization - For capital purposes it means to update the appearance or function of a building.

Multifamily Tenant Characteristics System (MTCS) - The Multifamily Tenant Characteristics System is a national computer system that collects, maintains, and reports information on families moving into, already living in, or who has recently lived in public or Indian housing; or the Section 8 Rental Certificate, Rental Voucher, or Moderate Rehabilitation Programs.

Net Revenues/(Expenditures) - The excess/ (deficiency) of revenues over the total of expenses.

Non-Dwelling Rent Income - Income generated from renting units or property for commercial use.

Non-HUD Funds - Funds that are not received from HUD, but are generated through the Metropolitan Housing Alliance.

Non-recourse - In this case refers to a type of note. It means the note is not backed by any assets or otherwise collateralized. The holder has no recourse if the note goes into default.

Non-Routine - Maintenance expenses for repairs and services, which are not performed on a regular basis such as roof repair, tree removal and other unusual items. This category has the same character as 'extra-ordinary' maintenance.

Notice of Funding Availability - A notice that HUD issues when grants are available for specific HUD programs.

Objective - Something to be accomplished in specific, well defined and measurable terms and is achievable in a specific timeframe.

Operating Budget - The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel and other routine and non-routine expenditures.

Operating Expenses - Fund expenses which are directly related to the fund's primary service activities.

Operating Income - The excess of operating revenues over operating expenses.

GLOSSARY OF TERMS

Operating Revenue - Fund revenues which are directly related to the fund's primary service activities. They consist primarily of user charges for services.

Operating Subsidy - Subsidy paid by the federal government to a local housing authority to compensate for the limitation on rent of 30 percent of a tenant's adjusted monthly income, as a result of funds the amount of the deficit between rents and expenses up to the difference between the annual contributions paid to the authority by the federal government.

Opportunity Centers - MHA's Opportunity Centers provide economic self-sufficiency and home ownership opportunities to public housing residents of the Little Rock Housing Authority.

Opt-Out - The term used when a landlord chooses not to renew an expiring Section 8 project based voucher.

Performance Indicators - Specific quantitative and qualitative measures of work performed as an objective of the department.

Position - The aggregate of duties and responsibilities performed by one person. A position may be unlimited, limited or on call, and may be occupied or vacant.

Program Budget - A budget that focuses upon the various HUD programs rather than upon the organizational budget units or object classes of expenditure.

Protective Services - Security services to ensure the safety and welfare of staff and residents.

Public Housing Assessment System (PHAS) - This rating system was established by HUD to replace Public Housing Management Assessment Program.

Reimbursable Expense - An expense that is to be repaid from an external source such as a vendor or client.

Rent to Owners (Payments to Owners) - Payments made to landlords on behalf of a family eligible to receive Housing Assistance Payment subsidy.

Retained Earnings - An equity account reflecting the accumulated earnings of an Enterprise or Internal Service Fund.

Revenue - Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Revenue Projection - A future estimate of sources and amounts of revenue to be realized.

Reserve - An account used to indicate that a portion of a fund's assets are restricted for a specific purpose and is, therefore, not available for general appropriation.

Risk Management - An organized attempt to protect a government's assets against accidental loss in the most economical method.

GLOSSARY OF TERMS

Section 3 Clause - A section of the HUD Act of 1968 whereby Housing Authorities are required to provide training and employment opportunities to public housing residents and to make efforts to ensure that individuals or firms located in or owned in substantial part by persons residing in the area of a Housing Authority project are awarded contracts when possible.

Section 8 Housing Assistance Payment Program

- Originally known as Section 23 leased housing when it was established by the 1965 housing act. Section 8 was established by Section 201 of the Housing and Community Development Act of 1974, under Title II Assisted Housing. HAP's can be allocated formerly constructed, substantially rehabilitated, or existing dwelling units. The program is essentially the same as Section 23; however, the 1974 act enables HUD to enter into contracts directly with owners of eligible housing and to perform certain functions otherwise assigned to a local housing authority in areas where a public housing agency is unable to implement the program. Eligible sponsors (or owners) of Section 8 housing include private builder-developers, cooperatives, and public agencies. Owners of Section 8 housing assume all ownership, management, tenant selection, and maintenance responsibilities which functions may be contracted to any entity (including a local housing authority) approved by HUD.

Section 8 Housing Assistance Payment Contracts

- Also known as a "HAP payment". This is a written contract between a PHA and an owner of Section 8 housing, to provide housing assistance payments on behalf of a family eligible to receive the HAP subsidy.

Section 8 Housing Vouchers - One of the types of assistance to low-income individuals provided in the Section 8 Program.

Section 8 Moderate Rehabilitation - One of the three types of assistance provided in the Section 8 Program.

Section 8 New Construction - Housing (1) for which construction starts after execution of an agreement to enter into a Housing Assistance Payment (HAP) contract; or (2) which is already under construction before such execution provided that, at the time of application to HUD for the HAP subsidy and at the time construction was initiated; (i) a substantial amount, meaning generally at least 25 percent, of construction remains to be completed; (ii) construction cannot be completed and occupied by Section 8 HAP eligible families without HAP program assistance; and (iii) all parties reasonably expected that construction would be completed and occupied without Section 8 HAP program assistance.

Section 8 Program - A housing program which MHA administers. The qualified low-income person/family rents a unit from a private landlord. MHA subsidizes the rent based on a Fair Market Rent (FMR) established by HUD. The client is obligated to pay rent to the landlord based on the client's income.

Section 8 Substantial Rehabilitation -

Section 8 HAP program housing which: (i) is improved to decent, safe, and sanitary condition in accordance with HUD minimum design standards, from a condition below those standards; or (ii) could be the result of renovation, alteration, or remodeling for the conversion or adaptation of structurally sound property to the design and condition required for use as Section 8 housing, or the repair or replacement of major building systems or components in danger of failure. HUD regulations stipulate that substantial rehabilitation may vary in degree from gutting and extensive reconstruction to the care of a substantial accumulation of deferred maintenance.

GLOSSARY OF TERMS

Securitize - The process of aggregating similar instruments, such as loans or mortgages, into a negotiable security. In the case of public housing authorities, it refers specifically to capital funding provided by HUD annually.

Single Room Occupancy - (SRO) A dwelling unit for occupancy by a single individual capable of independent living, which does not contain food preparation and/or sanitary facilities, and which is located within a multifamily structure containing more than twelve dwelling units.

Source of Revenue - Revenues are classified according to their source or point of origin.

Special Revenue Funds - A type of fund that accounts for proceeds of specific revenue sources (other than sources for major capital projects) that is legally restricted to expenditures for specified purposes.

Special Transfer - An operating transfer made for a specific program or purpose.

Statement of Changes in Financial Position - The basic financial statement which presents information on the amount of the sources and uses of an entity's working capital during an accounting period.

Strategy - A systematic plan of action put in place to meet goals.

Support Maintenance - An Internal Service Fund whose revenues are derived from user charges for services provided to other funds for pest control, locksmith services, small engine repair and equipment operators.

Total Development Cost - The total cost of development of a given project, including the costs of land, planning, all fees, construction financing, construction, landscaping and off-site improvements.

Transmittal Letter - The opening section of the budget which provides the MHA Board and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and recommendations regarding the financial policy for the coming period.

Uniform Relocation and Real Property Acquisition Act of 1970 - An act to provide for uniform equitable treatment of persons displaced from their homes, businesses, or farms by federal and federally assisted programs and to establish uniform and equitable land acquisition policies for federal and federally assistance programs. The act requires that moving costs be reimbursed and that certain relocation payments be made to homeowners, renters and businesses displaced by such activities.

Working Capital - The excess of current assets over current liabilities, and is used to indicate the relative liquidity of an enterprise or internal service fund.

ACRONYMS

A/E -	Architectural and Engineering
ACC -	Annual Contributions Contract
AMP-	Asset Management Project
ADOH -	Arkansas Division of Housing
ARRA -	American Recovery and Reinvestment Act
CAFR -	Comprehensive Annual Financial Report
CFP -	Capital Fund Program
CFFP -	Capital Fund Financing Program
CLPHA -	Council of Large Public Housing Agencies
COCC-	Central Office Cost Center
CPH -	Green Place Housing
CR-	Continuing Resolution
DVP -	Disaster Voucher Program
ECM -	Energy Conservation Measures
EPA -	Environmental Protection Agency
EPC -	Energy Performance Contract
FSS -	Family Self Sufficiency Program
FTE-	Full Time Equivalents
FY -	Fiscal Year
GAAP -	Generally Accepted Accounting Principles
GASB -	Government Accounting Standards Board
GFOA -	Government Finance Officers Association
HAP -	Housing Assistance Payment
HMD -	Housing Management Division
HOA -	Homeownership Association
HOPE VI -	Housing Opportunities for People Everywhere
HQS -	Minimum Housing Quality Standards prescribed by HUD.
HUD -	Department of Housing and Urban Development, a federal agency
LIHTC -	Low Income Housing Tax Credit
LOCCS-	Line of Credit Control System
LR-	Low Rent
LRC-	Local Resident Council
MHA -	Metropolitan Housing Alliance

ACRONYMS

MOD REHAB -	Section 8 Moderate Rehabilitation Program
MOU -	Memorandum of Understanding
MTCS -	Multifamily Tenant Characteristics System
NOFA -	Notice of Funding Availability
NPO -	Nonprofit Organization
NSP -	Neighborhood Stabilization Program
OC-	Opportunity Centers
OEA -	Operating Easement Agreement
OED -	Office of Economic Development
OMB -	Office of Management and Budget
PBA -	Project Based Assistance
PEPR-	Performance Enhancement Program Report
PHA -	Public Housing Agency
PHAS -	Public Housing Assessment System
PUM -	Per Unit Month
QHWRA -	Quality Housing and Work Responsibility Act
RCB -	Resident Council Board
RCS -	Resident Community Services
REAC -	Real Estate Assessment Center
RHF-	Replacement Housing Factor
RLS -	Request for Legal Services
ROSS -	Resident Opportunity and Self Sufficiency Grant S-8
-	Section 8
SEMAP -	Section 8 Management Assessment Program
SRO -	Single Room Occupancy
UEL -	Utility Expense Level
UMA-	Unit Months Available
UPCS -	Uniform Physical Condition Standards
VA -	Veterans Administration
VASH -	Veterans Affairs Supportive Housing