

Housing Authority of Baltimore City

A Moving To Work Agency Annual Report for Fiscal Year 2016

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I. Introduction and Overview

On April 14, 2016, pursuant to Section 239 of title II, Division L of the 2016 Consolidated Appropriations Act (P.L. 114-113) the Housing Authority of Baltimore City's (HABC's) MTW Agreement with the U.S. Department of Housing and Urban Development (HUD) was modified and extended through June 30, 2028. HABC has been a full participant in the MTW program since 2005 and entered into its first ten-year Moving to Work Agreement (MTW Agreement) on December 24, 2008.

MTW is a national demonstration program authorized by Congress which gives HABC the flexibility to waive certain statutes and HUD regulations pertaining to the Public Housing and Housing Choice Voucher (HCV) programs. The MTW statutory objectives include the following:

- 1) Reduce cost and achieve greater cost effectiveness in Federal expenditures;
- 2) Give incentives to families with children whose heads of household are either working, seeking work, or are participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and,
- 3) Increase housing choices for low-income families.

The MTW activities undertaken and/or planned by HABC are all designed to promote one or more of the statutory objectives.

This document is the MTW Annual Report for Fiscal Year 2016, which is the period from July 1, 2015 to June 30, 2016. HABC is required to prepare this Annual Report in conformance with the specifications of HUD Form 50900 "Elements for the Annual MTW Plan and Annual MTW Report". For purposes of this document and the required submission to HUD, an "MTW activity" is defined as any activity that requires MTW flexibility to waive statutory or regulatory requirements.

A. Short-Term Goals and Objectives

HABC's goals for the current and future years of the MTW Demonstration include supporting neighborhood revitalization, reducing administrative costs and promoting resident economic self-sufficiency. During Fiscal Year 2016, HABC worked towards these overarching goals by undertaking a broad range of housing, capital improvement, resident services and development activities as described in this Plan. Major MTW and non-MTW initiatives and objectives for the year ahead include:

- Public Housing Occupancy – HABC achieved a 96% adjusted occupancy rate in its public housing developments at the end of the fiscal year. The average occupancy rate for the year was 95%.
- Leased Housing Program - HABC served 17,853 households in the leased housing program at the end of FY 2016. During this period, HABC continued to increase the number of households served through a number of special programs that includes 378 veterans housed under the Veterans Affairs Supportive Housing (VASH) program; 81 families housed using Family Unification Program (FUP) vouchers; and 34 families housed using the Category II non-elderly persons with a disability (NEDs II) vouchers.
- HCVP Risk-Based Inspections – HABC implemented this as an MTW activity on October 1, 2014. In FY2016, a total of 2,765 units qualified by consistently meeting HQS annual inspection standards pushing the next annual inspection out to FY2018. HABC will continue to inspect every two years those units that consistently maintain HQS inspection standards and pass the annual inspection on the first attempt. HABC will expand this initiative by continuing to analyze data and trends in annual inspections to determine the best implementation methods for additional Risk Based Inspection activities. Effective April 2016, this activity was no longer considered an MTW Activity based on the PIH Notice 2016-05 Streamlining Administrative Regulations, Attachment K, and 24 CFR § 982.406. The notice was posted by HUD on April 7, 2016,
- HCVP Multi-Year Recertifications (HCVP) – Under MTW, HCV households will continue to be recertified every two years while families who are solely on fixed incomes, will be recertified every three-years Non-MTW voucher families will continue to be recertified each year
- Public Housing Multi-Year Recertifications - Under MTW public housing households will continue to be recertified every two years while families who are solely on fixed incomes will be recertified every three-years. Families who have chosen a flat rent will continue to be recertified each year.
- We are currently obligating the Replacement Housing Factor Funds for grant years 2010 through 2014 for approximately \$17.7 million. Our projects include the new construction of scattered site handicap accessible units, the development of O'Donnell Heights, Phase I-B, RAD related work at McCulloh Homes and consulting services for Perkins Homes. HABC has spent approximately \$5.2 million in FY 2016 on these projects. HABC has requested that HUD grant a six-month extension of the deadline for obligating \$7,650,281 in Replacement Housing Factor Funds in connection with the closing planned for Key's Point Phase 1B (formerly part of the O'Donnell Heights public housing

development. Additionally, HABC requested authority to accumulate the 2015, 2016 and 2017 Replacement Housing Factor (RHF) Funds for approximately \$4.9 million. These funds will be used in accordance with redevelopment methods that comply with the new Capital Fund rules involving the development of new affordable housing. HABC is currently planning to use these funds at Somerset Court Extension and J. Van Story Branch to support the RAD conversion of these sites. RHF Funding may also be considered for Hollander Ridge replacement housing.

- Portfolio Planning –HABC will continue its ongoing portfolio assessment including assessing capital needs, developing a capital spending plan and strategy, and identifying a framework for future development activity. In tandem, both traditional and non-traditional sources of funding will be assessed (we continue to analyze our Choice Neighborhood Program options) including identifying ways in which MTW flexibility can be used to leverage and support reinvestment in HABC developments. As part of our portfolio assessment HABC is considering applying for a Choice Neighborhoods Initiative (CNI) Implementation Grant in FY 2017 for the redevelopment of Perkins Homes.
- The Rental Assistance Demonstration Program - In July 2013, the U.S. Department of Housing and Urban Development (HUD) released a revised version of the Rental Assistance Demonstration Program. The Program allows public housing subsidy to be replaced with Section 8 subsidy which can be combined with other resources such as Low Income Housing Tax Credits to raise needed capital for the renovation of public housing units. As such, the RAD program will bring over \$320 million in the next 3 years of new investment to the Housing Authority of Baltimore City (HABC). The majority of the renovation work will be focused on HABC's mixed population buildings throughout the city that serve the elderly and the non-elderly disabled.

On December 24, 2013, HUD approved HABC's request for a portfolio award under RAD to cover 22 public housing developments (the "**RAD Projects**"), which will allow for the rehabilitation of the developments and the continued operation as affordable housing. HABC plans to convert 4,023 mixed-population units to RAD. Fifty-nine (59) mixed-population units will remain in HABC's inventory.

In order to maximize the capital for rehabilitation of the RAD Projects, tax exempt bonds and Low Income Housing Tax Credit (LIHTC) funds will be a portion of the construction financing. To utilize LIHTC, each of the RAD Projects must be conveyed to owner entities comprised of the selected developers and subsidiaries of HABC as the general partners and the low income housing tax credit investor limited partners.

On May 28, 2014, HABC created the Baltimore Affordable Housing Development, (BAHD) as a subsidiary to facilitate development activities, including the development projects approved by HUD for RAD, or other affordable housing development activities in Baltimore City. BAHD applied for and was awarded tax-exempt status under 501(c)(3) of the Internal Revenue Code.

As part of the transactions, HABC intends for BAHD to be the entity that conveys to the above-described owner entities a leasehold interest in the land through a long-term ground

lease and a fee simple interest in the improvements on the land. In addition to the long term ground lease with BAHD, the RAD Projects will be subject to a recorded RAD Use Agreement which will ensure the long term affordability of the RAD Projects.

In addition, HABC will be party to certain agreements governing the administration of the centralized waiting list to ensure that the RAD Projects are operated in accordance with the requirements of RAD and HABC.

In FY 2016 HABC moved forward with additional Phase II RAD projects for the following public housing sites:

- Monument East
- Ellerslie Apartments
- Somerset Court Extension
- Govans Manor
- Rosemont Tower
- J. Van Story Branch (West Twenty)
- and several Hope VI projects

To maximize the RAD Program HABC will sell the above-named properties to qualified affordable housing developers. By statute the new owners are required to maintain the units for the same population and all current residents will have the choice to return to the same property upon completion of significant renovations, or remain in HABC's conventional public housing program. All future residents will come from the HABC waiting list.

The Phase II properties are expected to convert under RAD during FY 2017.

In FY 2014 HABC submitted eleven applications and one portfolio application (for a total of 22 public housing sites) to HUD for redevelopment options of existing inventory related to the Rental Assistance Demonstration Program (RAD). On December 24, 2013 HABC received its Commitment for Housing Authority Payment (CHAP) letter for the first eleven of twenty-two sites, also known as Phase I:

- Bel-Park Tower
- Bernard E. Mason, Sr. Apts.
- Hollins House
- Lakeview Towers
- McCulloh Homes Extension
- Pleasant View Gardens
- Primrose House
- Chase House
- The Allendale
- The Brentwood
- Wyman House

All but three of the Phase I sites closed in FY 2016; Pleasant View Gardens, McCulloh Homes Extension and Chase House.

- Resident Services – HABC served over 8,333 households through a wide array of self-sufficiency, personal development and supportive service program offerings including a Targeted Unemployment Initiative which assists unemployed residents to obtain jobs through a comprehensive program of supportive services.
- Project Based Vouchers –59 additional housing units were leased under HABC’s PBV program.

Capital Planning – HABC will continue its program of capital improvements and development activities. MTW Block grant funds were reallocated to handle major repairs required on vacant units. Other major capital work included window replacement, roof replacement and heating improvements at HABC’s family and scattered sites. In addition to Key’s Point Phase 1B, development activities includes the completion of approximately forty-three handicap accessible units and the acquisition/or development of 100 to 110 affordable housing units. Homes for America was selected as the developer to acquire and rehab the scattered sites which will serve as replacements for the disposition of Hollander Ridge and O’Donnell Heights units. HABC has requested that HUD allow the Hollander Ridge replacement units to be included in its award for scattered sites units under RAD. HUD has determined that HABC can use the Hollander Ridge HOPE VI funds to acquire or develop public housing units and then subsequently convert these units to PBV or PBVA via RAD.

HABC spent approximately \$33.6 million on MTW and Non-MTW capital projects in FY 2016. HABC has combined all current and prior year Capital funds, including RHF funds, into the MTW Block Grant.

In FY 2016, HABC continued to work closely with the Mayor’s Office and other stakeholders to implement the Mayor’s Ten Year Plan to End Homelessness. HABC will continue to play a major role in the planning and implementation of this comprehensive, multi-disciplinary long-term initiative. Though most of the initiatives implemented do not require HABC to use its MTW Authority, virtually all of HABC’s program activities help to support the goals of preventing and reducing homelessness in the City by providing quality, affordable housing to extremely low income families who would be at risk of homelessness without HABC’s resources. HABC’s commitment to the Mayor’s initiative includes the following targeted initiatives:

- Housing First Homeless Initiative – This initiative does not require MTW Authority as HABC provides up to 850 Housing Choice Vouchers to eligible chronically homeless households referred by Baltimore Homeless Services (BHS). Participants use their vouchers to find affordable permanent housing, while receiving supportive services from BHS and other agencies. In July 2014, the amount of vouchers available to chronically homeless individuals and families increased from 500 to 650 vouchers. The number increased again in October 2015 to 750 vouchers, and a final increase took place in December 2015 setting aside 850 vouchers for chronically homeless households. Two-hundred (200) of these vouchers are set-aside for the rolling Request for Proposals of Project-Based units designated to house the homeless.
- Re-Entry Program – This program links permanent housing with supportive services to assist up to 250 chronically homeless individuals and families with an ex-offender household member. Referrals are made to HABC by the Mayor’s Office of Criminal Justice and Baltimore Homeless Services. MTW Authority is not required for this initiative.

- Eviction Prevention – In Failure to Pay (“FTP”) court cases HABC has implemented an eviction prevention program prior to when the family’s right to redeem the property is foreclosed upon. This program assists existing HABC residents with meeting their lease responsibilities and avoiding eviction action. This initiative continues to have a significant impact in preventing homelessness by reducing the number of HABC families evicted for lease violations or non-payment. As State law provides for the Right to Foreclose Redemption of HABC property, no MTW Authority is needed.

As part of the agency’s eviction prevention program, HABC selected Global Express a rent payment processing service that offers tenants several options to pay their rent without having to purchase a money order. Tenants are able to go to several participating local vendor agents that are in the Global payment network. The agent network is the cornerstone that allows in-person payments to be made efficiently and timely. Residents may pay in cash, whereupon a receipt is provided and their rent credited as of the date paid. Global also offers Mobile Payments: the ability to pay anywhere and at any time including online.

- Memorandum of Understanding (“MOU”) – In Breach of Lease (“BOL”) court actions HABC may enter into an MOU with the family found to be in non-compliance with the HABC Dwelling Lease. The MOU will set forth the conditions under which the family will cure the non-compliance and remain in the unit. No MTW Authority is required for this activity.
- The Thompson Settlement Agreement - In 1995 a class action entitled *Thompson v. HUD*, No. MJG 95-309, was filed in U.S. District Court for the District of Maryland against the Housing Authority of Baltimore City (HABC), the City of Baltimore and the U.S. Department of Housing and Urban Development (HUD). The plaintiffs alleged that African-American residents of and applicants for public housing and Section 8 vouchers had been discriminated against based upon their race. Certain parts of the case were settled by the parties through a Partial Consent Decree approved by the District Court in June 1996.

In November 2012, the District Court approved a final Settlement Agreement. The *Thompson* Settlement Agreement makes available up to 2,600 additional Housing Choice Vouchers from 2012 through 2018 (“*Thompson* Remedial Vouchers”), in addition to the 1,788 Housing Choice Vouchers already utilized under the *Thompson* Partial Consent Decree (“*Thompson* PCD-Leased Vouchers”). The Settlement Agreement also provides for the continuation of the *Thompson* Homeownership Voucher Program. The Baltimore Regional Housing Program administers the vouchers for the *Thompson* Remedial and Partial Consent Decree vouchers. As such, the use of MTW Authority is often used to promote the three (3) statutory objectives.

All *Thompson* Remedial, PCD-Leased, and Homeownership Vouchers must be used in Communities of Opportunity throughout the Baltimore metropolitan housing market as identified in the *Thompson* Settlement Agreement.

The *Thompson* Consent Decree included a provision that prohibited HABC from using public housing capital and operating funds to create public housing units in impacted areas in Baltimore City. The settlement of the Consent Decree has removed this prohibition and HABC is no longer prohibited from creating public housing units in these areas.

Required information on the programs under Thompson, ongoing and newly proposed MTW activities is incorporated into the remaining chapters of the Annual Plan.

- The Bailey Consent Decree - The plaintiffs in the *Bailey* case are persons with disabilities who are current or former residents of or applicants for HABC's housing programs. As of June 30, 2016, 724 of the required 756 UFAS units have been created and certified under the Bailey Consent Decree. An additional 32 UFAS units must be created.

In order to complete its obligations under *Bailey*, The Housing Authority of Baltimore City has identified a number of projects that create units that exceed the housing production requirements. For instance HABC has completed 16 of the remaining 32 UFAS compliant homes as new construction in the Scattered Sites inventory for persons with mobility impairments in order to meet the requirements of the Decree. The units will be located throughout various neighborhoods within Baltimore City.

Information on HABC's obligations under Bailey is incorporated into the remaining chapters of the Annual Report.

B. Long-Term Goals and Objectives

In its initial request for MTW designation, HABC expressed the intention to implement a number of initiatives in both the HCV and public housing programs to support neighborhood revitalization, reduce administrative costs and promote resident economic self-sufficiency.

HABC is committed to creating new affordable housing opportunities for City residents at a wide range of incomes. Within its financial constraints, HABC plans to replace lost public housing units through the production of new homes for existing public housing residents and others with incomes that would qualify for public housing. In its redevelopment efforts, HABC will strive to create vibrant, mixed-income neighborhoods that will benefit both local residents and the wider community.

By making funds available to the public housing program utilizing MTW authority and an aggressive strategy for vacancy renovations/modernizations, HABC has been able to bring long-term vacant and uninhabitable units back on line.

Commencing in late 2010, HABC began to conduct a portfolio wide asset review. The results of this process, which is continuing into FY 16, will provide a roadmap and framework for future investments and development activities. As part of this process, HABC is exploring ways in which MTW flexibility can help to support the agency's ability to leverage both traditional and nontraditional sources of funding.

By making funds available to the public housing program utilizing MTW authority and an aggressive strategy for vacancy renovations/modernizations, HABC has been able to bring 378 long-term vacant and uninhabitable public housing units back on line. ,

In addition, as HABC nears completion of its major renovation efforts to bring long-term vacant units back on line, resources shifted back to the Housing Choice Voucher program which has resulted in serving 4,063 more households between June 2006 and June 30, 2016 (Excludes Substantial Rehab, New Construction, VASH, and Thompson Partial Consent Decree (PCD) and Remedial Vouchers).

Other long-term MTW initiatives include:

- Reducing the frequency of recertifications as a way to lower administrative costs, promote household savings, and minimize the burden imposed by this process on resident households. As noted in the Plan, HABC has implemented this initiative for Housing Choice Voucher and Public Housing participants. Over the term of the MTW Agreement, HABC will also implement other MTW initiatives designed to simplify program administration and reduce costs;
- Implementing modified Project Based leasing programs to support City-sponsored targeted neighborhood revitalization. HABC has begun an ambitious Project Based Voucher program that incorporates MTW flexibility and expands housing choice for program participants, as described herein. Utilization of Project Based resources, Low-Income Housing Tax credits and other public and private sources of funding is a key component of HABC's neighborhood reinvestment, new housing production, and Bailey Consent Decree production initiatives;

- Pursuant to MTW authority, HABC modified its Long-Term Affordable (LTA) Program to promote the long term affordability of units. Under this initiative, HABC entered into LTA Project Based contracts with developers/owners for some or all units to be developed on distressed former public housing sites, in rehabilitated or existing units in tax credit developments and through other development methods. LTA contracts are for a minimum forty (40) year term. The LTA Units shall be managed and operated primarily in accordance with the HUD regulations governing public housing units (*e.g.*, 24 CFR Parts 5, 960, 966, and the like) (the “**Public Housing Regulations**”), even though the LTA-PB Units will be subsidized with project based voucher funds. As of June 30, 2016 there are 266 LTA units in HABC’s inventory.

HABC will also implement other MTW initiatives designed to simplify program administration and reduce costs;

- Streamlining income, deduction and rent calculation policies and procedures. Retrofitting vacant public housing units to allow accessibility by persons with disabilities;
- Replacing or renovating several public housing sites that have substantial unmet capital needs. Utilization of MTW funding, RAD and other development initiatives is an essential component of these efforts;

HABC will continue to pursue this long term vision – and identify new ways to utilize MTW flexibility in support of the MTW statutory objectives - over the ten-year term of the new MTW Agreement.

II. General Housing Authority Operating Information

This section of the Annual Report provides required information on HABC's current inventory, projected leasing activities and waiting lists for both the Public Housing and HCV programs. It includes details on changes made to the housing stock during the fiscal year as a result of new development, and demolition and disposition efforts. Additional data regarding the general operation of HABC's programs can be found in Appendix G. Planned significant capital expenditures are also summarized in this section.

A. Public Housing Inventory

Public Housing Inventory Current Leasing - All HABC public housing units are included in the MTW Block Grant. As of June 30, 2016, 9,014 units are under an Annual Contributions Contract (ACC) with the Department of Housing and Urban Development, 8,447^[1] of which are available for occupancy. As a total of 8,102 households currently reside in public housing – HABC's adjusted occupancy rate is 96%^[2].

Projected leasing - HABC's projected adjusted occupancy rate for the MTW public housing inventory and leasing as of June 30, 2016 was 97% and the projected total number of MTW public housing units to be leased as of June 30, 2016 was 7,260. HABC's number of occupied households was higher than anticipated due to a delay in the closing of several RAD properties; Pleasant View Gardens Senior Building – 110 units; McCulloh Homes mixed-population building – 347 units, and Chase House – 189 units for a total of 646 units still in HABC's inventory at fiscal year-end.

Demolition/Disposition of Public Housing Units – During Fiscal Year 2016, HABC anticipated changes to its existing public housing inventory as a result of acquisition/development of units in the mixed finance portfolio and the demolition or disposition of obsolete units. Additionally, HABC's participation in the RAD program will result in the conversion of 4,023 units to Section 8. The charts below provide information on changes to the inventory in Fiscal Year 2016.

The matrix entitled “**New Housing Choice Vouchers That Were Project-Based During the Fiscal Year**”, identifies 59 public housing (ACC) units added to the public housing inventory in FY 2016.

HABC projected a total of 2,125 RAD and non-viable, obsolete units to be dispositioned and/or demolished from the public housing inventory during FY 2016. As of 6/30/16 1,513 public housing units were converted to RAD. The remaining 646 RAD units and the 125 Scattered Sites units are still in HABC's inventory as of that date.

^[1]Available for occupancy figures exclude units that are vacant and exempt consistent with 24 CFR 901.5. These exempt units include units: a) undergoing or identified to undergo renovation and/or vacated due to consent decree mandated alterations; b) undergoing or identified to undergo modernization; c) approved for deprogramming (disposition or demolition); d) approved for non-dwelling purposes; e) lost due to reconfiguration

^[2]Adjusted occupancy rate reflects the percentage of units that are available for occupancy that are actually occupied.

B. Section 8/Housing Choice Voucher Inventory

As of June 30, 2016, HABC's existing Section 8 Housing Choice Voucher leased housing inventory includes 16,613 MTW units (13,263 regular program units; 3,350 Thompson units) and 1,240 non-MTW units. Table 1 shows projected leasing levels as of June 30, 2016 and actual leasing levels as of June 30, 2016.

Under its ACC, HABC's has been able to provide over 13,000 households with assistance. As of June 30, 2016 HABC has contract authority under its ACC to issue 19,290 MTW vouchers (including VASH and Thompson); however, available HUD funding does not support this level of leasing for MTW vouchers. It is important to note that neither HABC nor any other HCV administering agency is funded based on 100% of the ACC funding levels. The FY2005 Consolidated Appropriations Act changed the method and formula for allocation of HAP funds. The number of ACC authorized vouchers reflects the maximum number of families which may be assisted if adequate funds are provided by HUD.

**Table 1:
Housing Choice Voucher Program Inventory and FY 2016 Projected Leasing**

	Projected Leased as of 06/30/16	Actual Leased as of 6/30/16
MTW Tenant Based Vouchers (Non Consent Decree)	10,810	10,729
MTW Project Based Vouchers (Non Consent Decree)	1,200	1,289
MTW Tenant Based Vouchers - Bailey	875	845
MTW Project Based Vouchers – Bailey	415	400
<i>Sub-Total</i>	<i>13,300</i>	<i>13,263</i>
MTW PCD Vouchers – Thompson	1,753	1,769
MTW Remedial Vouchers – Thompson	911	1,581
<i>Sub-Total</i>	<i>2,664</i>	<i>3,350</i>
TOTAL MTW VOUCHERS	15,964	16,613
Non-MTW Section 8 Moderate Rehab	300	266
Non-MTW Section 8 New Construction/Substantial Rehab	596	596
Non-MTW VASH Vouchers	355	378
<i>Sub-Total</i>	<i>1,251</i>	<i>1,240</i>
TOTAL ALL	17,215	17,853

The total number of Bailey vouchers for non-elderly disabled (NED) households receiving assistance under the tenant-based program as of June 30, 2016 is 845. HABC has met its goal to provide assistance to Non-Elderly Disabled households as mandated under the Bailey Consent Decree.

HABC has also applied for and received special purpose vouchers in the following amounts: Family Unification Program Vouchers, 100; Non-Elderly Disabled Category II Vouchers, 40; Veterans Affairs Supportive Housing Vouchers, 426.

HABC will be working closely with its partners, providers, and property owners/managers to utilize the current wait list and to fill all vacancies in a timely manner.

New Housing Choice Vouchers That Were Project-Based During the Fiscal Year”

Property Name	Anticipated Number of New Vouchers to be Project-Based	Actual Number of New Vouchers that were Project-Based	Description of Project
4227 Frederick Avenue	9	0	This nine-unit building located in the Irvington neighborhood will be designated for non-elderly persons with disabilities (NEDS). All nine will be one-bedroom units. As of 6/30/16 these units have not yet come under a contract.
Mulberry at Park	20	0	This 68 unit building on the Westside of downtown Baltimore will have 20 project-based units. Twelve will be one-bedrooms units designated for NEDS; while the remaining 8 units will consist of 6 three-bedroom and 2 two- bedroom LTA-UFAS. This project is still under construction which will be completed by 12/31/16.
Bon Secours Gibbons	20	0	This newly constructed 80 unit building in Morrell Park will have 20 based project-based vouchers. Twelve will be one-bedroom units for NEDS; while the remaining 8 units will consist of 4 three-bedroom and 4 two-bedroom LTA-UFAS units A contract was executed for these units during the 1 st quarter of FY 2017 (7/28/16)..
Penn Square 2	15	15	This 61-unit building in Penn North will have 15 project-based units. Twelve will be one-bedrooms units designated as LTA for NEDS; while the remaining 3 units will all be three-bedrooms designated as LTA-UFAS. As of 6/30/16 all 15 units are under a PBV contract.
City Arts 2	15	0	This newly constructed 60-unit building in Greenmount West will have 15 project-based units. Twelve will be one-bedrooms units designated for NEDS; while the remaining 3 units will all be three-bedrooms designated as LTA-UFAS. As of 6/30/16 these units were under construction which will be completed by 12/31/16.
Brexton-Chase Residences	7	7	This 10-unit building in the Mt. Vernon neighborhood will have 7 units designated for NEDS. All seven will be one-bedroom units. As of 6/30/16 all 7 units are under a PBV contract.
Dorchester Residences	10	10	This is a 14-unit building in the Gwynn Oak neighborhood. Ten (10) units will be designated for NEDS. All 10 will be one-bedroom units. As of 6/30/16 all 10 units are under a PBV contract.
Poppleton 3	10	8	This is a 32-unit building located in the Poppleton neighborhood. Ten of the 32 units will be project-based with 7 designated as LTA for NEDS (all one-bedrooms); and 3 units designed as LTA-UFAS (one two-bedroom and two three-bedrooms). As of 6/30/16 eight of the ten units are under a PBV contract.
Barclay Rental	3	0	This is a 57- unit building located n the Barclay neighborhood. Telesis Financing will build three PBV units in the Barclay area of Baltimore. All three units will be 3 bedrooms with two of the units to house formerly homeless families and one unit for a family that needs the features of a UFAS unit. A contract was executed for these units during the 1 st quarter of FY 2017 (7/29/16)..
Orchard Ridge Rental V	16	0	This is new construction at the Orchard Ridge site in southeast Baltimore. Pennrose Properties, LLC will build 65 units. Sixteen of the units will be subsidized by PBV's. Ten units will be one-bedrooms for non-elderly families with a disability, and 6 will be three-bedroom units for families that need the features of a UFAS unit. As of 6/30/16 these units have not yet come under a contract.
Falstaff	3	0	This is a 16 unit building. Chai Developers will develop three units in the Falstaff area; 2 of which are one-bedrooms for NEDs and one three-bedroom unit for families that needs the features of a 3UFAS unit. A contract will be executed for these units during the 1 st quarter of FY 2017.
20 E. Franklin Street	7	0	This is a 41 unit building in the Mt. Vernon neighborhood. Osprey Property Co. will develop 7one-bedroom units for NED families. As of 6/30/16 these units have not yet come under a contract.
Joe DiMaggio Scattered Sites	11	11	This project was awarded (11) scattered sites units through a competitive RFP process. The HAP contract was awarded on May

			25, 2016.
Mary Harvin Center		8	This 57-unit building in Broadway East has designated 8 units as project-based under contract. All units are one-bedroom units. As of 6/30/16 all 8 units are under a PBV contract.

Anticipated Total Number of New Vouchers to be Project-Based	Actual Total Number of New Vouchers that were Project-Based	Anticipated Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Anticipated Total Number of Project-Based Vouchers Leased Up or Issued to a Potential Tenant at the End of the Year
135	59	1,615 (Does not include Thompson Vouchers),	1,333
		Actual Total Number of Project-Based Vouchers Committed at the End of the Fiscal Year	Actual Total Number of Project-Based Vouchers Leased up or Issued to a Potential Tenant at the End of the Fiscal Year
		2,055 (Does not include Thompson vouchers)	1,689

Other Changes to the Housing Stock that Occurred During the Fiscal Year

Public Housing Occupancy – Vacant units at several mixed-population developments previously scheduled for RAD conversion in FY 2016 were held off-line for the temporary relocation of existing residents. The delay in conversion of HABC sites to RAD also caused an increase in the anticipated number of occupied households.

By making funds available to the public housing program utilizing MTW authority and an aggressive strategy for vacancy renovations/modernizations, HABC has been able to bring 378 long-term vacant and uninhabitable public housing units back on line. HABC has 330 of these vacant units under contract for unit turnover. The average cost to renovate each unit is greater than \$15,000. These units are treated as MOD/Rehab in the vacancy calculation.

HABC is going thru a viability review of its scattered site dwellings. Units over \$50,000 to rehabilitate or units in neighborhoods that would be extremely hard to market are being referred to HUD to be removed from inventory via the disposition process.

The Housing Choice Voucher Program - Typically all project-based voucher initiatives are listed in the Annual Plan. They usually involve substantial renovation or new construction. However the Joe DiMaggio and Mary Harvin Center PBV initiatives were not listed in HABC's FY 2016 Annual Plan.

The Joe DiMaggio units were awarded due to a competitive RFP process. The units were in existence at the time Joe DiMaggio responded to the RFP so neither renovation nor new construction was needed. As for the Mary Harvin Center units HABC removed them from its FY 2016 Annual Plan because the site was set on fire when the civil unrest occurred in Baltimore in April 2015. At that time it was not known when a contract would be issued to the site.

C. Housing Stock Information

General Description of Actual Capital Fund Expenditures During the Plan Year

Year of Funding Award	Devel Name	Description of Work	Original MTW Anticipated Spending July 1, 2015 - June 30, 2016	MTW Actual Spending July 1, 2015 - June 30, 2016
FFY 13, 14 and 15	Latrobe Homes	Repair Maintenance Shop, Site Work, Vacancy Renovation, Preventive Maintenance of Heating and Domestic Hot Water, Caulking, Expansion Joint Replacement and Repaint Parapet Wall Roof Decks	\$ 877,514	\$ 1,647,393
		<i>Extraordinary Vacancy Renovation work added to the FY 16 Capital Plan. Erosion Control work to be completed in FY 17. All other work scheduled to be completed by 2nd quarter FY 17. Actual expenses are reflected.</i>		
FFY 13, 14 and 15	McCulloh Homes	Cabinet Replacement, Replace Electrical Closet Doors, Site Work, Gas Line Repairs, Vacancy Renovation, Preventative Maintenance for New Boiler System	\$ 408,000	\$ 1,671,292
		<i>Extraordinary Vacancy Renovation work added to the FY 16 Capital Plan. Site work to be completed in FY 17. All other work scheduled to be completed by 2nd quarter FY 17. Actual expenses are reflected.</i>		
FFY 13, 14 and 15	Perkins Homes	Site Work, Vacancy Renovation, Gas Line Repairs, Development Consultant	\$ -	\$ 945,617

Year of Funding Award	Devel Name	Description of Work	Original MTW Anticipated Spending July 1, 2015 - June 30, 2016	MTW Actual Spending July 1, 2015 - June 30, 2016
		<i>Extraordinary Vacancy Renovation work added to the FY 16 Capital Plan. Site work and vacancy work to be completed in FY 17. All other work scheduled to be completed by 2nd quarter FY 17. Actual expenses are reflected.</i>		
FFY 13, 14 and 15	Poe Homes	Wireless Electrical Submetering System, Security Lights, Install Isolation Valves and Condensate Pumps (Heating System Repairs)	\$ 522,000	\$ 740,688
		<i>Emergency funding made available for wireless submetering system. Work is substantially complete and will not be fully expended until FY 17. All other work is substantially complete. Actual expenses are reflected.</i>		
FFY 13, 14 and 15	Douglass Homes	Electrical Distribution System, Site Work , Gas Line Repairs, Vacancy Renovation	\$ 4,624,761	\$ 806,970
		<i>The electrical distribution project is still under design and will be started in FY 17. Extraordinary Vacancy Renovation work added to the FY 16 Capital Plan. Site work and vacancy work to be completed in FY 17. Actual expenses are reflected.</i>		

Year of Funding Award	Devel Name	Description of Work	Original MTW Anticipated Spending July 1, 2015 - June 30, 2016	MTW Actual Spending July 1, 2015 - June 30, 2016
FFY 13, 14 and 15	Gilmor Homes	Vacancy Renovation, Site Work, Repair Heating Convector System, Installation of Lighting and Signs, Community Center Renovation, Repair Heating Convector System	\$ 1,840,000	\$ 2,161,425
		<i>Extraordinary Vacancy Renovation work added to the FY 16 Capital Plan. Site, vacancy and heating convector related work to be completed in FY 17. Actual expenses are reflected.</i>		
FFY 13, 14 and 15	O'Donnell Heights	Vacancy Renovation, Redevelopment- Phase 1 B - 68 Rental Units	\$ 3,558,277	\$ 443,188
		<i>Extraordinary Vacancy Renovation work added to the FY 16 Capital Plan. Work continues and will be completed in FY 17. The closing for the redevelopment project did not occur as a result of unforeseen delays. Closing now anticipated by 2nd quarter of FY 17. Actual expenses reflected.</i>		
FFY 13, 14 and 15	Cherry Hill Homes	Relocation of Gas Meters, Site Improvements across from Mgmt Office, Site Work ,Vacancy Renovation,Preventive Maintenance of Heating and Domestic Hot Water System, Annual Water Treatment Services, Our House Community Center Improvements	\$ -	\$ 3,289,315

Year of Funding Award	Devel Name	Description of Work	Original MTW Anticipated Spending July 1, 2015 - June 30, 2016	MTW Actual Spending July 1, 2015 - June 30, 2016
		<i>Extraordinary Vacancy Renovation work added to the FY 16 Capital Plan. Work continues and will be completed in FY 17. Other work expected to be completed in FY 15 was actually completed in FY 16. Actual Expenditures are reflected.</i>		
FFY 13, 14 and 15	Brooklyn Homes	Replace Windows, Install New Layer Shingles Roofs, Site Work, Vacancy Renovation	\$ 1,175,218	\$ 2,828,959
		<i>Extraordinary Vacancy Renovation work added to the FY 16 Capital Plan. Site work and vacancy work to be completed in FY 17. Actual expenses are reflected.</i>		
FFY 13, 14 and 15	Westport Homes and Mt. Winans	Vacancy Renovation, Site Work and Gas Piping and Mapping	\$ 220,000	\$ 426,869
		<i>Extraordinary Vacancy Renovation work added to the FY 16 Capital Plan. All work scheduled to be completed in FY 17. Actual expenses are reflected.</i>		
FFY 13, 14 and 15	McCulloh Homes, Ext.	Utility Separation for RAD Conversion and Associated Costs	\$ -	\$ 3,807,010
		<i>As a result of the RAD conversion for this property, it was necessary to separate the utilities involving the high rise and low rise buildings. Actual expenditures are</i>		

Year of Funding Award	Devel Name	Description of Work	Original MTW Anticipated Spending July 1, 2015 - June 30, 2016	MTW Actual Spending July 1, 2015 - June 30, 2016
		<i>reflected.</i>		
FFY 13, 14 and 15	Rosemont/Dukeland	Site Work, Improvements for a Tenant Council Space, Vacancy Renovation	\$ 1,310,000	\$ 457,635
		<i>Extraordinary Vacancy Renovation work added to the FY 16 Capital Plan. Site work and vacancy work to be completed in FY 17. Actual expenses are reflected.</i>		
FFY 13, 14 and 15	Van Story Branch (formerly the West Twenty)	Exterior Waterproofing & Tuckpointing	\$ -	\$ 23,857
		<i>Work was completed in FY 15 but expenses were not incurred until FY 16.</i>		
FFY 13, 14 and 15	Somerset Ext	Roof Replacement	\$ -	\$ 58,325
		<i>Work was completed in FY 15 but expenses were not incurred until FY 16.</i>		
FFY 13, 14 and 15	Monument East	Roof Replacement	\$ -	\$ 69,959
		<i>Work was completed in FY 15 but expenses were not incurred until FY 16.</i>		
FFY 13, 14 and 15	Hollander Ridge	Replacement Housing - 110 Units	\$ 5,125,877	\$ -
		<i>The redevelopment project incurred unexpected delays. Project anticipated to begin in FY 17.</i>		

Year of Funding Award	Devel Name	Description of Work	Original MTW Anticipated Spending July 1, 2015 - June 30, 2016	MTW Actual Spending July 1, 2015 - June 30, 2016
FFY 13, 14 and 15	Chase House	Exterior Waterproofing & Tuck-pointing and Window Replacement	\$ -	\$ 41,828
		Work was completed in FY 15 but expenses were not incurred until FY 16.		
FFY 13, 14 and 15	Pleasantview Gardens	Utility/Engineer Consultant and Gas and Water Sub metering (RAD Conversion)	\$ -	\$ 35,655
		All work is complete. Actual expenses are reflected.		
FFY 13, 14 and 15	Scattered Sites	Vacancy Renovation, Roofing Replacement, Replace Hollow Core Elevator Access Doors with Solid Core Doors and Frames, Window Replacement	\$ 733,275	\$ 722,425
		All work is substantially complete; actual expenses are reflected.		
FFY 13, 14 and 15	Thompson 22	Weatherization	\$ -	\$ 900,841
		These funds were made available from the State of Maryland Weatherization Program for improvements. Estimated expenses are reflected.		
FFY 13, 14 and 15	Bailey -New Construction UFAS Units	Bailey -New Construction UFAS	\$ 2,243,407	\$ 960,912
		Planned expenses overstated, actual expenses reflected. Work scheduled to be completed in FY 17.		
FFY 13, 14 and 15	Authority-Wide	Affordable Housing Opportunities	\$ 4,203,600	\$ 1,567,383

Year of Funding Award	Devel Name	Description of Work	Original MTW Anticipated Spending July 1, 2015 - June 30, 2016	MTW Actual Spending July 1, 2015 - June 30, 2016
		<i>Planned expenses overstated, actual expenses reflected.</i>		
FFY 13, 14 and 15	City Wide	Development of Non-Elderly Disabled Units & Enhanced Leasing Program	\$ 670,000	\$ 732,572
		<i>Planned expenses understated; actual expenses reflected. Work continues in this area.</i>		
FFY 13, 14 and 15	Authority Wide	Emergency Repairs to Mixed Population Buildings and other Properties as Needed. Vacancy Renovation, Cathodic Protection of Gas Mains; Kitchen and Bathroom Modernization, Elevator Repairs, Site Work, Steam Repairs, Contingency, etc.	\$ 4,053,807	\$ -
		<i>Funds reallocated based on actual expenses per development.</i>		
FFY 13, 14 and 15	AMP's	Environmental Related Testing, Energy Improvements and Training	\$ 263,750	\$ 29,080
		<i>Planned expenses overstated, actual expenses are reflected.</i>		
FFY 13, 14 and 15	AMP's	Management Improvements, IT Software and Hardware	\$ 134,553	\$ 79,867
		<i>Planned expenses overstated, actual expenses are reflected.</i>		
FFY 12, 13 and 14	AMP's	Resident Activities involving the Anti-Drug and Energy Program	\$ 14,000	\$ 8,203
		<i>Planned expenses overstated, actual expenses are reflected.</i>		

Year of Funding Award	Devel Name	Description of Work	Original MTW Anticipated Spending July 1, 2015 - June 30, 2016	MTW Actual Spending July 1, 2015 - June 30, 2016
FFY 13, 14 and 15	AMP's	Consultant Fees (A & E, Planning, Utility, Maintenance of Software, etc.)	\$ 185,000	\$ 551,075
		<i>Planning fees were budgeted with the work activity and were reallocated to the consultant fees line item as determined necessary. Actual expenditures are reflected.</i>		
FFY 13, 14 and 15	AMP's	Legal Fees	\$ -	\$ 116,980
		<i>Legal services required for contractual related issues.</i>		
FFY 13, 14 and 15	N/A	Debt service	\$ 6,439,204	\$ 3,599,131
		<i>Debt payment was reduced as a result of pre-payment on the Capital Fund Financing Program (CFFP) loan. The CFP Loan is paid in full.</i>		
FFY 13, 14 and 15	AMP's	Technical Salaries and Benefits	\$ 1,425,523	\$ 1,599,022
		<i>Planned expenses overstated, actual expenses reflected.</i>		
FFY 13, 14 and 15	AMP's	Non-Technical Salaries and Benefits	\$ 2,861,269	\$ 2,727,253
		<i>Planned expenses overstated, actual expenses reflected.</i>		
FFY 13, 14 and 15	AMP's	Operating, Sundry, Audit and Overhead Expenses	\$ 746,861	\$ 602,630
		<i>Planned expenses understated, actual expenses are reflected.</i>		
FFY 13, 14 and 15	AMP's	RAD Subsidy	\$ -	\$ 348,400

Year of Funding Award	Devel Name	Description of Work	Original MTW Anticipated Spending July 1, 2015 - June 30, 2016	MTW Actual Spending July 1, 2015 - June 30, 2016
		<i>Planned expenses understated, actual expenses are reflected.</i>		
		GRAND TOTAL	\$ 43,635,896	\$ 34,001,760

504 Accessibility Improvements

The consent decree entered in *Bailey, et al. v. HABC et al.*, Civil Action No. JFM-02-CV-225 and in *United States v. HABC*, Civil Action No. JFM-04-CV-03107 (the “Bailey Consent Decree”) on December 20, 2004 provides for HABC to create 756 UFAS and 75 near-UFAS units. As of 6/30/16, HABC had created 724 of the 756 UFAS compliant units and all of the 75 near UFAS compliant units required by the Bailey Consent Decree. HABC expects to certify an additional 25 units between now and the end of calendar year 2016. The last 7 units will be completed in 2017.

- 19 UFAS units are under construction in mixed-income developments and are expected to be certified in CY 2016;
- 4 additional units will under construction in mixed-income developments will be created in CY2017
- 8 UFAS units will be created by building on vacant lots that are owned by the City or HABC.
- 1 Remaining UFAS unit to be constructed

In order to complete its obligations under *Bailey*, The Housing Authority of Baltimore City has identified a number of projects that create units that exceed the housing production requirements. For instance HABC has completed 16 of the remaining 32 UFAS compliant homes as new construction in the Scattered Sites inventory for persons with mobility impairments in order to meet the requirements of the Decree. The units will be located throughout various neighborhoods within Baltimore City.

HABC will also continue to work with the Department’s Baltimore Office of Fair Housing and Equal Opportunity and the Baltimore Regional Working Group to determine the impact of the RAD conversions on HABC’s compliance with Section 504 in multifamily projects (Public Housing and PBRA).”

Infrastructure and Extraordinary Maintenance

Major work completed in FY 2016 includes: complete renovation of the Gilmore Community Center; the renovation and rehab of over 400 units at Latrobe, McCulloh, Perkins, Douglas, Gilmore, Cherry Hill, Westport, Brooklyn and Rosemont; the separation of the utilities between the Mixed-Pop Buildings and the Family sites at McCulloh; the completion of scattered site vacancy 2018 E Baltimore St; the installation of electrical closet doors at McCulloh Homes low-rise; the installation of sub-meters (gas, water and electric) at Pleasant View Gardens for the Community Building, Youth Center and Daycare Center.

Major projects started in FY 2016 include: the replacement of 287 electric meters at Poe Homes due to outdated technology; the procurement and implementation of a 3rd party utility billing system for resident billing; the renovation of two properties at Rosemont and Dukeland, respectively, designated for use as Tenant Council Offices; the renovation of a scattered site unit at 1521 N. Broadway; the installation of windows and repair of porches and site work at Spencer Gardens; the repair and replacement of scattered site UFAS Unit lifts; the upgrade of the electrical distribution system at Douglas Homes; the renovation of approximately 300 units located at 11 family developments, as follows: Douglass, Latrobe, Perkins, Gilmor, Cherry hill, Brooklyn, Rosemont/Dukeland, Westport/Mt Winans and McCulloh; the replacement of sidewalks and erosion control at Latrobe, Cherry Hill and Gilmor; the new sub-meters for Poe Homes; and the renovation of long term vacant scattered sites, including the renovation of 1435 Broadway with the monetary assistance of a state awarded Legacy Grant.

In addition, in FY 2016 HABC continued to: (i) study the conditions of its scattered sites portfolio to determine long range planning goals; (ii) repair drainage and erosion problems at various sites; and (iii) implement its environmental program that includes the continued testing for lead based paint and abatement of asbestos as required and removal of underground fuel oil tanks when required.

In FY 2016, HABC continued to manage the two long term leases/agreements to better serve HABC Residents, as follows:

1. In FY 2015 HABC entered into a lease with Save A Lot (“SAL”), a local supermarket, located adjacent to McCulloh Homes. HABC is leasing to SAL approximately 2,000 square feet of exterior space (the “Space”) at fair market value. Without this Space, which was not being used by HABC, SAL would not be able to open its new supermarket, which serves the residents of McCulloh Homes. The Space leased is directly opposite SAL’s delivery pad and the Space is necessary for SAL’s vehicles to make deliveries. In FY 2017, HABC will seek HUD’s approval to sell the Space to SAL.
2. In FY 2015 HABC entered into a Letter of Intent with Living Classroom Foundation (“LCF”) to amend their Lease. LCF now occupies the Youth Development Center at Pleasant View Gardens. The Lease amendment will give LCF a long term lease, which will allow them to obtain grants to better serve our residents and to also take full financial and operating responsibility of the Youth Development Center. The Lease amendment will also give LFC the right to purchase both the Youth Development Center and Day Care Center (collectively the “Centers”), however, LFC must continue to provide youth development activities and early childhood services to HABC’s residents (“Resident Services”). The Centers will be sold at a below fair market value because the Resident Services provided are done at a financial loss and can only be achieved with obtaining various grants. Therefore, the value of the buildings does not have any market value with the current types of Resident Services they provide. Therefore, since HABC wants to continue with these Resident Services, any sale will have to be below fair market value. In FY 2017, HABC will seek HUD’s approval to sell both Centers to LCF.

Energy Performance Contracting

HABC will continue Monitoring, Measurement and Verification efforts for the Phase I Energy Performance Contract (EPC) properties. (Latrobe, Cherry Hill, Gilmor, Westport and Brooklyn). An additional EPC Program is currently under review for the installation of conservation measures (lighting, water conservation fixtures, utility metering and heating and utility system upgrades) at selected properties. As part of HABC’s mission to reduce energy costs for the agency the renegotiation of utility contracts will be undertaken with the steam service provider Veolia for Cherry Hill; Perkins

and Douglass in 2017. If the proposed second EPC is approved, its installation should commence in 3rd quarter of FY 2017.

Partnerships

HABC has partnered with the Department of Housing and Community Development's Weatherization Assistance Program ("WEP") and the Parks & People Foundation ("P&P") through a Memorandum of Understanding which allows both WEP and P&P to perform energy and storm water management projects on HABC sites at no cost to HABC. When these grants become available HABC will work closely with these partners to identify the properties that will benefit from the investment.

HABC's housing development accommodates four distinct strategies, which include MTW funds and proposed public and private leveraged funds. Each of the four strategies (Neighborhood Reinvestment, New Housing Production, Thompson Partial Consent Decree Production, and Bailey Consent Decree Housing Production) is summarized below. As these projects are all in the development or pre-development stages, the final unit numbers and development approach may vary from those presented below.

Neighborhood Reinvestment

Under the Neighborhood Reinvestment Program, HABC works with private development partners and Baltimore neighborhoods to re-capitalize the distressed scattered site public housing stock in strengthening neighborhood markets, linking their redevelopment to a larger program of market-rate rental and for-sale production. The public housing component of these projects will result in a permanently affordable rental housing resource in improving neighborhoods, ensuring economic diversity. This program achieves the mixed-finance redevelopment of existing ACC (public housing) units. The narrative below describes FY 2016 goals and activities in this strategy area:

Barclay - HABC procured Telesis Baltimore Corporation as its development partner in the redevelopment of the Barclay neighborhood. Telesis completed a redevelopment plan calling for the new construction and rehabilitation of approximately 322 mixed-income housing units. The first two rental phases of 141 affordable units have been completed. The first affordable homeownership phase consisting of 35 rehabilitated units was completed in FY 2014 and sold to families making 120% of the AMI.

The construction of Homeownership Phase 2 is began in FY 2016 and includes the construction of a small park surrounded by 30 (12 rehab and 18 new construction) homeownership units in the 300 block of E. 20th Street.

Rental Phase 3 was awarded Low Income Tax Credits for the creation of 57 rental units, which will include 9 units reserved for Chronically Homeless Persons. Construction began in January 2016 and to date thirteen (13) rehab units on 21st Street have been completed. Ten of the 13 units are currently occupied with the last three projected to be occupied by the end of August. Three of the occupied units are occupied by Chronically Homeless individuals. The new construction rental buildings are 44% complete.

Johnston Square - Johnston Square is a part of a larger transformation that is taking place over a broad swath of the Central City beginning in EBDI and continuing to Barclay. The development strategy for Johnston Square is built from a strong base of assets including: existing concentrations of

homeownership, prominent green and open spaces, St. Frances Academy, and nearby redevelopment activities such as Barclay, Oliver/Preston Place, and City Arts.

Mi Casa, Inc. has developed 30 units of affordable homeownership in the 700-800 blocks of E. Preston Street using Neighborhood Stabilization Program 2 funds. All 30 homeownership units have been sold to homebuyers; 28 of whom have settled.

New Housing Production Program

HABC's New Housing Production Program for mixed-income, mixed finance development involves the complete transformation of distressed sites. In FY 2013, HABC will continue to sponsor significant mixed-income residential development at several locations across the City, resulting in a variety of housing choices for low-income households in the city.

Uplands – The City of Baltimore acquired the 52-acre Uplands Apartments site from HUD in January 2004 through a foreclosure auction with the intent of developing a new mixed income neighborhood. Baltimore City's Housing and Community Development agency (HCD) completed a Master Plan that calls for the development of 1,146 new units, of which 611 mixed income units will be located on the 52-acre site. An additional 150 market rate units will be located on the Westside Skills Center parking lot and the "Triangle" parcels that were acquired and incorporated in the development parcel.

The first homeownership phase is under construction and consists of approximately 178 units, of which 116 units have been sold and 80 settled. Additionally, there are thirty-six (36) units under construction projected to be completed and sold in FY16. In FY 17 it is projected that approximately 31 homeownership units will begin construction with a completion rate of about two units per month.

Orchard Ridge (formerly Claremont/Freedom) –Habitat for Humanity of Chesapeake has completed the construction of the 30 remaining affordable homeownership units in Phase I.

O'Donnell Heights– O'Donnell Heights was constructed in 1944 and included 900 public housing units. Of these, 596 have been demolished and 304 remain on-line. The plan for the 62-acre site is for the demolition of the remaining housing units and the creation of a 925-unit mixed income residential community to include the replacement of public housing units on site. The redevelopment of O'Donnell Heights is to be completed in multiple phases. Through a competitive Request for Qualifications, the team of Michaels Development Company and AHC Greater Baltimore was selected by HABC as the developer for the O'Donnell Heights redevelopment.

Phase I of the redevelopment includes 144 rental and 6 homeownership units to be completed in two sub-phases, Phase I-A and I-B. In a letter dated August 16, 2012, HUD approved the disposition of approximately 9.1 acres, encompassing the 144-unit rental portion of the Phase I site area. Phase IA was completed in FY2014.

Phase I-B, consisting of 68 rental and 6 for-sale units is in the planning stage with closing on the rental units expected to be finalized during the 2nd quarter of FY2017. Phase I-B is part of a LIHTC application submitted to the Maryland Department of Housing and Community Development. HABC is also leveraging banked Replacement Housing Factor Funds to help cover the cost of construction. HABC is providing 34 project based vouchers for returning residents, NEDS and UFAS units. The remaining 36 rental units are affordable to households earning less than 60% of the AMI.

Of the thirty-four “Long Term Affordable Project Based Units” or “LTA-PB Units” being created twenty-three will be made available to eligible current and former O’Donnell Heights residents (“Returning Residents”), four (4) of which are UFAS units being offered to residents on the Reasonable Accommodation Transfer Waiting List who need the features of a UFAS unit. In order to allow Returning Residents to get priority for the four (4) UFAS units HABC created a preference on the Reasonable Accommodations Transfer Waiting List for the Returning Residents.

The LTA-PB Units shall be managed and operated primarily in accordance with HUD regulations governing public housing units (e.g., 24 CFR Parts 5, 960, 966, and the like) (the “Public Housing Regulations”), even though the LTA-PB Units will be subsidized with project based voucher funds. The LTA-PB Units shall remain affordable for a minimum of forty (40) years. During FY2017, HABC plans to submit a disposition application to HUD for the 0.3 acres included in Phase I-B for the six homeownership units.

Thompson Partial Consent Decree Production

To meet the public housing unit production requirements of the *Thompson* Partial Consent Decree HABC is undertaking the following:

Project-Based Development Program- Additionally, under the *Thompson* Settlement Agreement, Under the *Thompson* Settlement Agreement, BRHP is continuing the project based development program that was started under the *Thompson* partial consent decree. BRHP is implementing a project-based development program to create project based units in Opportunity areas. Subject to funding availability, BRHP is making pre-development funding and, if needed, subordinate secondary financing using the Urban Revitalization Demonstration Grant funds awarded for the Homeownership Demonstration Program (MD-06-URD-002-I294) available to pre-qualified developers and property owners who develop housing units and agree to enter into long term project-based voucher contracts. Under this initiative, BRHP created 20 new project-based units in communities of Opportunity in HABC’s 2016 Fiscal Year.

Bailey Consent Decree Housing Production

The Housing Authority of Baltimore City has identified a number of projects that would create units that would exceed the housing production requirements of Bailey Consent Decree and therefore will no longer offer developers incentives to produce the units.

New Construction Scattered Site Units- HABC is obligated to provide approximately 60 UFAS compliant homes for persons with mobility impairments in order to meet the requirements of the Bailey Consent Decree. Thirty-seven of these units will be located throughout various neighborhoods within Baltimore City. To date HABC has awarded contracts to residential builders in four phases. Phase I (16 units) Phase II (13 UFAS units) and Phase III (6 units) are all complete. Phase IV consisting of two units is expected to be completed in March, 2017.

Other Development Activities

HABC is considering development of a number of other sites. Activities on these sites in FY 2016 include but are not limited to master planning, the issuance of RFPs or RFQs, the execution of Land Disposition or Master Development Agreements, the provision of MTW funds to developers, demolition, site clearance, and remediation, and other pre-development and development work:

Choice Neighborhoods Initiative – HABC is considering applying for a Choice Neighborhoods Initiative (CNI) Implementation Grant in FY 2017 for the redevelopment of Perkins Homes..

Rental Assistance Demonstration – HABC has applied to HUD under the Rental Assistance Demonstration (RAD) for the rehabilitation and conversion of twenty-four (24) public housing projects. The RAD program allows housing authorities to convert public housing funding associated with a development to housing choice voucher (HCV) funding and, at the same time, dispose of the property from the public housing inventory in order to use the funding for debt service payments. Staff will be working with third-party developers on development plans, financing applications. HABC has closed nine (9) sites: Bel Park Tower, Brentwood, Lakeview Tower, The Allendale, Bernard E Mason Sr., Apts, Hollins House, Primrose Place, Pleasant View Gardens Townhomes, and Wyman House .HABC is working to in bring an additional 6 projects to successful closing by the end of FY 2016. The projects in process are: McCulloh, Chase, Pleasant View Gardens Senior, Ellerslie, Govans Manor, Hillside, and Senior Terraces.. The balance of HABCs RAD inventory will close in FY 2017.

HABC has a backlog of up to \$800 million of capital needs and an inadequate amount of capital funding. By converting a development to HCV funding and leveraging private debt and low income housing tax credits, it is possible to rehabilitate buildings for the long term without displacing any of the existing residents. The HCV subsidy would replace the ACC contract subsidy. Tenants’ rights would be largely the same and tenants would have the benefit of receiving a tenant-based housing choice voucher after two year of occupancy in good standing at the tenant’s option.

Somerset Homes – On December 6, 2007, HUD approved the demolition of the Somerset Homes public housing development and the development was subsequently demolished in 2009 by Masco Contractors, Inc., which was awarded the demolition contract pursuant to a duly advertised Invitation for Bids.

In May 2010, HABC worked with the City of Baltimore’s (the “**City**”) Planning Department in conjunction with Urban Design Associates as the master planner, community organizations, and resident stakeholders to complete a comprehensive master plan for redeveloping the demolished Somerset Homes site owned by HABC and the Oldtown site owned by the City, which combined sites span approximately 17 acres from Monument Street to the north, Orleans Street to the south, Central Avenue to the east, and Ensor Street to the west. When redeveloped, the Somerset Homes site will provide housing opportunities for former Somerset Homes public housing residents as well as moderate income and market-rate housing for rent and sale.

On April 17, 2014, the Baltimore Development Corporation (“**BDC**”), on behalf of the Mayor and City Council of Baltimore, and HABC released a joint Request for Proposals (“**RFP**”) for the Oldtown and Somerset Homes development sites. On August 15, 2014, one responsive development plan was received that envisioned the redevelopment of the two sites as a mixed-income, mixed-use neighborhood including retail, rental and homeownership housing, a neighborhood park, a community center, and a potential grocery store.

The refined master plan generally calls for a mixed-use and mixed-income housing development, as more specifically described below.

- ❖ 655 new rental residential units, 44% of which are affordable;
- ❖ 33 proposed rowhomes;

- ❖ 230,301 sf of retail space, with a targeted "mid-box-sized grocery anchor" to serve a broad spectrum of users;
- ❖ 1,035,910 sf of office space/commercial space;
- ❖ 71,248 sf of community space that includes a proposed recreation center, neighborhood playground and park; and
- ❖ 2,131 parking spaces

Phase 1.1 of the Project for the Somerset Homes site is for the development of 104 rental units. The estimated total development cost of this phase is \$33.1 million. The Owner Entity will purchase the site for the phase from HABC at fair market value but is requesting a seller take back loan of \$565,000 to underwrite the 70 affordable units. The 104-unit mix will include 70 affordable units, 33 of which are deeply subsidized at 30% of area median income ("AMI") or below, which will require Section 8 vouchers; 37 LIHTC units at 60% AMI and below; and 34 market-rate units. The 104 units will consist of 40 one-bedroom units, 48 two-bedroom units, and 16 three-bedroom units.

Cherry Hill 17 - On November 17, 2014, the Housing Authority of Baltimore City (HABC) issued an RFP for qualified real estate market analysts to conduct a market and feasibility study. The purpose of this study is to determine the viability of providing mixed-income and/or mixed-use housing on an HABC owned site, located in the Cherry Hill Community of Baltimore City. Formerly referred to by HABC as Cherry Hill 17, this site once consisted of 193 public housing units on 6.340 acres of land. In 1999 a parcel of the Cherry Hill 17 site was developed into a senior living facility named Cherry Hill Senior Manor, located at 901 Cherry Hill Road. Directly across the street from Cherry Hill Senior Manor is the subject site known to the community as "Fisher's Cove", which is the remainder of the original Cherry Hill 17 site. HABC is currently exploring its options with regards to this site.

Hollander Ridge HOPE VI Funding—Approximately \$18.85 million of HOPE VI funds that were originally designated for the redevelopment of the Hollander Ridge site are available. HABC intends to use these funds to acquire and rehabilitate properties that will be replacement housing for both former Hollander Ridge residents and former or current O'Donnell Heights residents. The properties will be scattered-site units in areas of Baltimore City identified in the Thompson Settlement Agreement.

In satisfaction of the Thompson Settlement Agreement, HABC will also make available the equivalent of \$7,140,000 ("Replacement Funds"). The Replacement Funds may be used in conjunction with FY 1996 HOPE VI Funds originally awarded to HABC for Hollander Ridge ("HOPE VI Funds") to develop one or more scattered site projects totaling approximately 110 units. The Replacement Funds may be from any available source including, but not limited to, low income housing tax credits, the State Partnership Rental Housing Program, other State housing funds, low income housing bond funds, private debt or equity, public housing funds or MTW funds. However, the Replacement Funds may not be taken from the HOPE VI Funds.

HUD has agreed to add this project to the Rental Assistance Demonstration (RAD) Program. The plan would include acquiring the units as public housing and then converting to Section 8. HABC is currently drafting a plan for HUD to review using the RAD model.

Housing Choice Voucher Homeownership Program—(HCVHP) - As of June 30, 2015, the HCVHP assisted a total of 83 families in purchasing homes in Baltimore City which included 14 terminated cases for a net total of 69 active participants on the program. HABC's goal in FY 2016 was to assist an additional eight (8) families so that the projected total number of assisted participants under

the HCVHP would be 91 by June 30, 2016 and the net total of active participants would be 77. HABC actually exceeded its goal for FY 2016 as a total of ten new families purchased a home in Baltimore City bringing the total number of families assisted under the program to 93; however, with 18 terminations, HABC shows a net increase of six additional families who purchased a home in FY 2016 (from 69 to 75).

Reasons for termination include:

6 = Families failed to recertify

5 = Families were over-income

3 = Death

3 = Families voluntarily left the program

1 = Family went through foreclosure

Overview of Other Housing Units Owned and/or Managed By PHA at Fiscal Year End

Housing Program	Total Units	Overview of the Program
The Bailey LTA Program	243	<p>The Housing Authority of Baltimore City (“HABC”) established an initiative in 2010, referred to as the Long Term Affordable Project Based (“LTA”) Program, to create long term affordable units for persons with disabilities in compliance with the Bailey Consent Decree.</p> <p>The LTA program combines features of the Project Based Voucher program – such as the ability of owners to obtain long-term financing from banks and other private equity sources – with the resident protections and long-term affordability features of the Public Housing program.</p> <p>LTA units are subsidized through LTA Project Based contracts with minimum forty (40) year terms entered into between HABC and eligible property owners. LTA Project Based units are occupied by families on the public housing waiting list.</p>
The HABC LTA Program	23	<p>In FY 2014, HABC established the Long Term Affordable Project Based Program (“LTA-PB Program”). The LTA-PB Units shall be managed and operated primarily in accordance with the HUD regulations governing public housing units (e.g., 24 CFR Parts 5, 960, 966, and the like) (the “Public Housing Regulations”), even though the LTA-PB Units will be subsidized with project based voucher funds. The LTA-PB Units shall remain affordable for a minimum of forty (40) years.</p>
Total Other Housing Owned or Managed	266	

Select Housing Program from: Tax Credit, State Funded, Locally Funded, Market-Rate, Non-MTW HUD Funded, Managing Developments for other non-MTW Public Housing Authorities or Other.

<p>If Other, please describe: Market-rate rental units, HOPE VI Sites, Privately-Managed Sites and Tax Credit Sites using Project-Based Vouchers.(described in the New Housing Choice Vouchers That Were Project-Based During the Fiscal Year Table.</p>	<p>See Appendix E: Other HABC Housing</p>
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D. Leasing Information

Actual Number of Households Served at the End of the Fiscal Year

	Number of Households Served *	
	Planned	Actual
Housing Program: HABC's Long-Term Affordable Programs		
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property-Based Assistance Programs**	266	266
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs**	0	0
Port-In Vouchers (not absorbed)	200	238
Total Projected and Actual Households Served	466	504

* Calculated by dividing the planned/actual number of unit months occupied leased by 12

** In instances when a Local Non-Traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of Households served.

	Unit Months Occupied/Leased****	
	Planned	Actual
Housing Program: HABC's Long-Term Affordable Programs		
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Property Based Assistance Programs***	3,192	3,192
Number of Units that were Occupied/Leased through Local Non-Traditional MTW Funded Tenant-Based Assistance Programs***	0	0
Port-In Vouchers (not absorbed)	2,400	2,856
Total Projected and Actual Unit Months Occupied/Leased	5,592	6,048

Explanation for differences between planned and actual households served

*** In instances when a Local-Non-Traditional program provides a certain subsidy level but does not specify a number of units/Households Served, the PHA should estimate the number of Households served

****Unit Months Occupied/Leased is the total number of months the PHA has occupied/leased units according to unit category during the year.

	Average Number of Households Served Per Month	Total Number of Households Served During the Year
Households Served through Local Non-Traditional Services Only	0	0

E. Households Served

Reporting Compliance with Statutory MTW Requirements: 75% of Families Assisted are Very Low-Income*

Fiscal Year:	2015	2016
Total Number of Local, Non-Traditional MTW Households Assisted	14	266
Number of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	14	266
Percentage of Local, Non-Traditional MTW Households with Incomes Below 50% of Area Median Income	100%	100%

Reporting Compliance with Statutory MTW Requirements: Maintain Comparable Mix

Baseline for the Mix of Family Sizes Served

Family Size:	Occupied Number of Public Housing units by Household Size when PHA entered MTW	Utilized Number of Section 8 Vouchers by Household Size when PHA Entered MTW*	Non-MTW Adjustments to the Distribution of Household Sizes.	Baseline Number of Household Sizes to be Maintained	Baseline Percentages of Family Sizes to be Maintained
1 Person	5,416	5,653		10,184	51%
2 People	1,737	1,751		3,771	19%
3 People	1,238	1,905		3,071	15%
4 People	655	861		1,766	9%
5 People	276	277		831	4%
6+ People	192	154		491	2%
Totals	9,514	10,600		20,114	100%

Explanation for Baseline Adjustments to the Distribution of Household sizes Utilized	Due to the ongoing RAD conversion of over 4,000 mixed-population public housing units, HABC anticipates an adjustment to its baseline beginning in the FY 2017 Annual Report.
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Mix of Family Sizes Served

	1 Person	2 People	3 People	4 People	5 People	6+ People	Totals
Baseline Percentages of Household Sizes to be Maintained	51%	19%	15%	9%	4%	2%	100%
Number of Households Served by Family Size this Fiscal Year	9,881	4,172	3,376	2,097	1,075	788	21,389
Percentages of	46%	20%	16%	10%	5%	3%	100%

Households Served by Household Size this Fiscal Year							
Percentage Change	-5%	+1%	+1%	+1%	+1%	+1%	0%

Justification and Explanation for Family Size Variations over 5% from the Baseline Percentages	Due to the ongoing RAD conversion of over 4,000 mixed-population public housing units, HABC anticipates a variation over 5% from the baseline percentages in the number of one person households served. HABC projects that this variation will be reported in the FY 2017 Annual Report.
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* Non-MTW adjustments to the distribution of “family sizes” are defined as factors that are outside the control of the PHA. Acceptable “non-MTW adjustments” include, but are not limited to, demographic changes in the community’s population. If the PHA includes non-MTW adjustments, HUD expects the explanations of th factors to be thorough and to include information substantiating the numbers used.

** The numbers in this row will be the same numbers in the chart above listed under the column “Baseline percentages of family sizes to be maintained.”

*** The methodology used to obtain these figures will be the same methodology used to determine the “Occupied number of Public Housing units by family size when the PHA entered MTW” and “Utilized number of Section 8 Vouchers by family size when the PHA entered MTW” in the table immediately above.

**** The “Percentages of families served by family size this fiscal year” will reflect adjustments to the mix of families served that are directly due to decisions the PHA has made. HUD expects that in the course of the demonstration, PHAs will make decisions that may alter the number of families served.

Description of any Issues Related to Leasing of Public Housing, Housing Choice Vouchers or Local, Non-Traditional Units and Solutions at Fiscal Year End

Housing Program	Description of Leasing Issue and Solutions
Housing Choice Voucher Program	Under its ACC, HABC’s HCVP-MTW funding limits the number of households for which assistance can be made available to no more than approximately 13,500 (this funding limitation does not affect Thompson-MTW, New Construction or Moderate Rehabilitation vouchers). Uncertainty concerning the level of available HAP funds provided to the HABC HCV Program for CY 2016 was a contributing factor in meeting projected utilization goals. HABC has maintained increased utilization and will continue to do so, unless there is a drastic reduction in funding allocations.
The Public Housing Program	<p>The Public Housing waiting list remains open. By the end of FY 2016, HABC planned to complete a partial update of the Public Housing waiting list; however, because HABC tries to make contact with applicants via telephone, and first class mail, and by utilizing all listed contact information on the application in an effort to allow applicants to remain on the waiting list, the purge will not be completed until the first quarter of CY 2017.</p> <p>The automation of an applicant’s ability to update information on their application assists HABC in its efforts to partially update the waiting list as over 10,700 applicants (HCVP and Public Housing) have used our web portal to add/remove family members and update their address information. Through the installation of kiosks and the internet, (to date, HABC has installed five (5) Kiosks at the Leasing and Admissions Office) new applicants are able to in complete their online pre-applications and maintain and update existing applications. For fiscal year 2016 2,305 applicants have been withdrawn.</p>

Number of Households Transitioned to Self-Sufficiency by Fiscal Year End*

*This chart is required by HUD for all activities that use HUD metric SS#8. HABC does not have any activities that require HUD metric SS#8 in FY 2016.

Activity Name/#	Number of Households Transitioned	Agency Definition of Self Sufficiency
N/A	0	N/A
Households Duplicated Across Activities/Definitions	0	0

Annual Total Number of Households Transitioned to Self Sufficiency	0
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F. Waiting List Information

HABC maintains its waiting list in conformance with the policies described in the Public Housing Admissions and Continued Occupancy Policy (ACOP) and the Housing Choice Voucher Program Administrative Plan. Demographics on current waiting list households are included in Appendix G.

The Public Housing Waiting List:

The Public Housing waiting list remains open. By the end of FY 2016, HABC planned to complete a partial update of the Public Housing waiting list; however, because HABC tries to make contact with applicants via telephone, and first class mail, and by utilizing all listed contact information on the application in an effort to allow applicants to remain on the waiting list, the purge will not be completed until the first quarter of CY 2017.

The automation of an applicant’s ability to update information on their application assists HABC in its efforts to partially update the waiting list as over 10,700 applicants (HCVP and Public Housing) have used our web portal to add/remove family members and update their address information. Through the installation of kiosks and the internet, (to date, HABC has installed five (5) Kiosks at the Leasing and Admissions Office) new applicants are able to in complete their online pre-applications and maintain and update existing applications. For fiscal year 2016 2,305 applicants have been withdrawn.

The Housing Choice Voucher (HCV) Waiting List:

The HCV Tenant-Based waiting list is closed. HCVP’s Project-Based waiting list is open for eligible Senior’s (1-bedroom units) and families (2-3 bedroom units) until December 31, 2016. HABC will reopen the HCV waiting list as necessary to ensure that there are adequate numbers of applicants for available vouchers over a twelve-month period.

The Public Housing and Housing Choice Voucher Waiting List:

When seeking housing assistance many families choose to apply for both the public housing and the HCV programs. The date and time of the application for one program does not necessarily share the date and time for the other; however to obtain a true and accurate count of the number of families on HABC’s waiting lists, these families are counted separately from the public housing and HCV waiting lists.

Currently the HCV waiting list is closed while the public housing waiting list is open. At this time, families who want to apply for both public housing and the HCVP will only be allowed to apply for public housing.

The Thompson Waiting List:

Pursuant to the *Thompson* Settlement Agreement, the waiting list for *Thompson* Vouchers is maintained separately from any other waiting list for housing assistance, including HABC's waiting list. Application for, receipt of, or termination of a *Thompson* Voucher will not affect a family's standing on any other waiting list. A copy of the waiting list procedures for the *Thompson*-related programs is described in the Special Administrative Plan as Appendix II in the HABC HCV Administrative Plan. As of June 30, 2016, there were 10,200 families on the waiting list for *Thompson* Vouchers, awaiting enrollment in the pre-placement counseling program. As of the same date 1,203 families were enrolled in that program.

Wait list Information At Fiscal Year End

Housing Program(s)*	Wait List Type**	Number of Households on Wait List	Wait List Open, Partially Open or Closed***	Was the Wait List Open During the Fiscal Year?
Federal MTW Public Housing Units	Community Wide	27,845	Open	Yes
Federal MTW HCVP Units - Tenant Based	Community Wide	24,350	Closed	No
Federal MTW HCVP Units - Project Based	Site-Based (Project-Based, Moderate Rehab & PB Senior)	5,383	Partially Open: HCVP's Project-Based waiting list is open for eligible Senior's (1-bedroom units) and families (2-3 bedroom units) until December 31, 2016.	Yes, partially
Public Housing & HCVP (Includes Tenant and Project-Based applicants). The applicants on this waiting list have applied for both public housing and HCVP prior to the closing of the HCVP waiting list.	Merged	5,402	The public housing waiting list was open; the HCVP tenant-based waiting list was closed; and the project-based waiting list was partially open during the fiscal year	Public Housing: Yes HCVP Tenant-Based: No HCVP Project-Based: Yes, partially
Thompson Voucher Units	Program Specific	10,200	Open	Yes

* *Select Housing Program:* Federal MTW Public Housing Units; Federal MTW Housing Choice Voucher Program; Federal non-MTW Housing Choice Voucher Units; Tenant-Based Local, Non-Traditional MTW Housing Assistance Program; Project-Based Local, Non-Traditional MTW Housing Assistance Program; and Combined Tenant-Based and Project-Based Local, Non-Traditional MTW Housing Assistance Program.

** *Select Wait List Types:* Community-Wide, Site-Based, Merged (Combined Public Housing or Voucher Wait List), Program Specific (Limited by HUD or Local PHA Rules to Certain Categories of Households which are Described in the Rules for Program Participation), None (If the Program is a New Wait List, Not an Existing Wait List), or Other (Please Provide a Brief Description of this Wait List Type).

*** **For Partially Open Wait Lists, provide a description of the populations for which the waiting list is open.**

Partially Open: HCVP's Project-Based waiting list is open for eligible Senior's (1-bedroom units) and families (2-3 bedroom units) until December 31, 2016.

If local non-traditional, please describe:

If other waiting list type, please describe:

If there are any changes to the organizational structure of the wait list or policy changes regarding the wait list, provide a narrative detailing these changes.

Narrative of Changes
Location Based Waiting Lists: The authority is preparing another MTW plan amendment and making amendments to the Public Housing Admissions and Continued Occupancy Policies (ACOP) to allow for a “location based” Waiting list that will be centrally administered for family sites, Scattered Site properties and converted RAD properties.

III. Proposed MTW Activities

All proposed activities that are granted approval by HUD are reported on in Section IV as ‘Approved Activities.’ HABC did not propose any MTW activities in FY 2016.

IV. Approved MTW Activities

A. Implemented Activities

1. *Public Housing Multi-Year Recertifications*

Description/Update of MTW Activity: HABC is responsible for reexamination and verification of household income, household composition and other eligibility data. The HABC will generally conduct a full reexamination of household income and composition for all fixed income households one time every twenty-four (24) months.

Proposed Changes: HABC will revise and expand its current public housing two year recertification initiative to: 1) include all households with employment or TANF as primary income sources in addition to all fixed income households; and, 2) Eliminate the current procedure by which income and family composition is verified between the regularly scheduled two year recertification dates.

Approval and Implementation: Approved in 2006 and implemented in 2011. HABC will implement the revised process upon approval of the FY 2015 Annual Plan.

Changes to metrics, baselines, and benchmarks: None

Metrics:

<i>CE #1: Agency Cost Savings for Bi-Annual Recertifications</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$1,107,590	\$541,980	\$627,110	No.
<i>CE #2: Staff Time Savings for Bi-Annual Recertifications</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	4,335 hours	2,121 hours	3,911	No.
<i>CE #3: Decrease in Error Rate for Bi-Annual Recertifications</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	25% (includes minor to fatal errors)	20%	30%	*No. See below

Explanation for Variance in Meeting the Benchmarks for CE#1 and CE#2 and CE#3: HABC was unable to meet the benchmarks for agency cost-savings, staff time savings and a decrease in the error rate when completing bi-annual recertifications due to the late RAD conversion of three sites (646 units). At those sites several key positions were vacant and remaining staff assigned to the sites were no longer completing recertifications but assisting in the transition by closing out accounts, removing HABC possessions and maintaining the buildings.

CE #1: Agency Cost Savings for Tri-Annual Recertifications				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$1,107,590	\$541,980	\$627,110	No.
CE #2: Staff Time Savings for Tri-Annual Recertifications				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	4,335 hours	2,121 hours	3,468	No.
CE #3: Decrease in Error Rate for Tri-Annual Recertifications				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	25% (includes minor to fatal errors)	20%	28%	No.

Explanation for Variance in Meeting the Benchmarks for CE#1 and CE#2 and CE#3: HABC was unable to meet the benchmarks for agency cost-savings, staff time savings and a decrease in the error rate when completing bi-annual recertifications due to the late RAD conversion of three sites (646 units). At those sites several key positions were vacant and remaining staff assigned to the sites were no longer completing recertifications but assisting in the transition by closing out accounts, removing HABC possessions and maintaining the buildings.

There were no hardship requests in FY 2016 as a result of implementing this MTW activity.

2. On “HOLD”. See Section C(2h). MTW Homeownership Program (Public Housing)

3. Asset Self-Certification

Description/Update of MTW Activity: To streamline operations, HABC will allow residents to self-certify income from assets with total asset values per household of less than \$5,000.

Changes to metrics, baselines, and benchmarks: HABC has re-evaluated the baseline for this MTW activity. On an average it took .5 hours to verify a resident’s asset income. By allowing residents to self-certify income from assets totaling \$5,000 and less this activity now requires 15 minutes (.25 hours) to complete. The metrics have been updated in accordance with this change.

Metrics

CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Households with assets \$5000 or less in FY 2011 = 1,105	\$10,000	Households with assets \$5000 or less in FY 2016 = *84 Time needed to verify asset	Yes total agency cost savings = \$18,552); however please note the

	<p>Time needed to verify assets = .50</p> <p>Average staff hourly wage: \$25.55 X 0.38 (benefits) = \$35.25</p> <p>1,105 X .50 = 552.5 hours</p> <p>552.5 X \$35.25 = \$19,476.00</p> <p>Total cost for activity prior to implementation = \$19,476.00</p>		<p>= .25</p> <p>Average staff hourly wage: \$30.77 X .43 (benefits) = \$44.00</p> <p>84 X .25 = 21hours</p> <p>21 X \$44 = \$924</p> <p>Total savings for activity after implementation = \$18,552</p> <p>(\$19,476 - \$924 = \$18,552)</p>	<p>decrease in the number of families who have assets totaling \$5,000 and less.</p>
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CE #2: Staff Time Savings

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	<p>Households with assets in FY 2011: 1,105</p> <p>Time to verify assets: .50 hours</p> <p>Total time to complete the activity prior to implementation: 552.5 hours</p>	300	<p>Households with assets totaling \$5000 or less in FY 2016 = 84</p> <p>Time to verify assets: .25 hours</p> <p>Average staff hourly wage: \$30.77 X .43 (benefits) = \$44.00</p> <p>84 X .25 = 21hours</p> <p>Total time saved when completing this activity after implementation = 531.5 (552.5 – 21 = 531.5 hours saved).</p>	Yes total staff time savings = 531.5 hours; however please note the decrease in the number of families who have assets totaling \$5,000 and less.

CE #3: Decrease in Error Rate

Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	<p>5%</p> <p>(includes minor to fatal errors)</p>	3%	0%	Yes.

*Last year HABC reported the number of households with assets of \$5000 or less as 6,419 in error. The number reported for FY 2016 is correct and HABC will monitor this number closely in the future.

There were no hardship requests in FY 2016 as a result of implementing this MTW activity.

HABC Leased Housing

4. “CLOSED (See Section D(14c) Risk-Based Inspections (HABC LEASED Housing))

5. Multi-Year Recertifications

Description/Update of MTW Activity: HABC is responsible for the annual recertification and verification of household income, household composition and other eligibility data. Using MTW authority, HABC will continue to conduct a recertification of household income and composition for all households one time every twenty-four (24) months instead of the required once a year. The 24-month recertification policy does not apply to:

- Residents living in MOD Rehab and MOD Rehab SRO units
- Residents with other vouchers that do not qualify based on HUD funding restrictions
- Residents with Homeownership vouchers
- Residents on with HUD awarded Special vouchers (Veterans Affairs Supportive Housing (VASH));

HABC has transitioned to a three-year recertification cycle for households that include elderly and/or disabled heads of households that are on fixed incomes. Due to a simultaneous software conversion, HABC was unable to implement this activity. HABC successfully notified elderly and/or disabled participants on fixed incomes in October 2013 that their recertification schedules would move to once every three years effective January 1, 2014.

After three months of several misrepresented households classified as three-year recertifications that should have remained on a two-year cycle, HCVP will have effectively implemented the three-year recertification cycle for all eligible senior/disabled households on fixed incomes by the end of the fiscal year.

All other families not listed above will remain on a two-year cycle.

Changes to metrics, baselines, and benchmarks: None

Metrics:

CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$1,134,696	\$638,267	\$567,348	Exceeded.
CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?

Total time to complete the task in staff hours (decrease).	49,920 hours	28,080 hours	24,960 hours	Exceeded.
CE #3: Decrease in Error Rate				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	25% (includes minor to fatal errors)	20%	22%	No.

There were no hardship requests in FY 2016 as a result of implementing this MTW activity.

6. *Leased Housing Limits on Project Based Vouchers and Increased Project Based Units in a Project or Building*

Description/Update of MTW Activity: HABC reserves the right to allocate up to 30% of its Tenant Based HCV funding for Project Based Vouchers. The HCV Administrative Plan was also modified to allow HABC to enter into Project-Based Voucher HAP contracts for greater than 25% of the units in a project/development regardless of the family or household type that will occupy the units provided that the household is eligible.

Currently, due to limitations in funding, HABC allocated 10% of its Tenant Based HCV funds to Project Based Vouchers in FY 2016, but anticipates increasing this allocation by waiving the per-building and per-project cap on future projects.

Changes to metrics, baselines, and benchmarks: None

Metrics

HC #4: Displacement Prevention				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for families with disabilities at or below 80% AMI as a result of this activity.	0	31 Units	32 Units	Yes
HC #4: Displacement Prevention				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of families with disabilities at or below 80% AMI that would lose assistance or need to move as a result of this activity.	0	0	0	N/A

7. “CLOSED” (See Section D(6c). Project-Based Transitional Housing (Leased Housing))

8. Unit Sizes

Description/Update of MTW Activity: The HCV Administrative Plan was modified to require participating families to select a unit size consistent with and not greater than the unit size listed on their voucher. Exceptions to this rule may be granted at the discretion of HABC where the voucher holder can demonstrate that a good faith and exhaustive effort has been made to find an appropriately sized unit or based on a reasonable accommodation request. This requirement has been modified to include current participants living in units where the unit size exceeds the voucher size.

At recertification, HABC will review with current participants the household composition and may require the family to move to the correct unit size. If the family chooses not to move, the payment standard will be adjusted to reflect the appropriate unit size.

Changes to metrics, baselines, and benchmarks: None

Metrics:

CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$120,000,000	\$118,312,500	\$136,724,088	No. There was an increase in voucher awards causing increase in HAP spent. HABC still saved \$561,600 by ensuring unit size matches voucher size.

CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	0 hours	0	0	*Does not apply.

CE #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?

Average error rate in completing a task as a percentage (decrease).	0	0	0	*Does not apply.
HC #1: Additional Units of Housing Made Available				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of new housing units made available for households at or below 80% AMI as a result of the activity (increase).	11,817 units	11,982 units	13,263	Yes. The outcome reflects total households served. However, through this activity an additional 54 units were made available to voucher holders.

*HUD is requiring HABC track this metric. This metric does not accurately measure the success of this activity. HABC intended for this activity to save the agency money but it has no influence on staff time.

There were no hardship requests in FY 2016 as a result of implementing this MTW activity.

9. The Bailey Long –Term Affordable Project-Based Voucher Contract

Description/Update of MTW Activity: As part of its Moving To Work (“MTW”) program, the Housing Authority of Baltimore City (“HABC”) established an initiative in 2010, referred to as the Long Term Affordable Project Based (“LTA”) Program, to create long term affordable units for persons with disabilities in compliance with the Bailey Consent Decree.

The LTA program combines features of the Project Based Voucher program – such as the ability of owners to obtain long-term financing from banks and other private equity sources – with the resident protections and long-term affordability features of the Public Housing program.

LTA units are subsidized through LTA Project Based contracts with minimum forty (40) year terms entered into between HABC and eligible property owners. LTA property owners are required to adopt the LTA Admissions & Continued Occupancy Criteria (“LTA Criteria”). Residents of LTA units will have rights and protections as set forth in the LTA Criteria and will enter into a lease with the project owner that is developed by HABC for the LTA units (the “LTA Lease”), which incorporates the regulatory requirements for a public housing lease and grievance procedures. LTA Project Based units are occupied by families on the public housing waiting list.

HABC will create a Housing Assistance Payment (HAP) contract to: increase the term of the contract to 40 years, consistent with the long term affordability period; and set forth what public housing rights, privileges and benefits must be afforded the NED residents in LTA units.

Changes to metrics, baselines, and benchmarks: None

Metrics:

<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit as a result of the activity	0 units	243	243 Units	Yes.

10. The HABC Long –Term Affordable Project-Based Voucher Contract

Description/Update of MTW Activity: In FY 2014, HABC established the Long Term Affordable Project Based Program (“**LTA-PB Program**”). Under this Program, HABC created long term affordable project based units (“**Long Term Affordable Project Based Units**” or “**LTA-PB Units**”) in addition to the long term affordable units created for persons with disabilities pursuant to the Bailey Consent Decree which HUD previously approved under HABC’s MTW Agreement.

The LTA-PB Units shall be managed and operated primarily in accordance with the HUD regulations governing public housing units (*e.g.*, 24 CFR Parts 5, 960, 966, and the like) (the “**Public Housing Regulations**”), even though the LTA-PB Units are subsidized with project based voucher funds. The LTA-PB Units shall remain affordable for a minimum of forty (40) years. The LTA-PB Program will provide to applicants for, and residents of, the LTA-PB Units most of the rights, privileges, and benefits that are provided under the public housing regulations. LTA Project Based units are occupied by families on the public housing waiting list.

LTA-PB property owners will be required to adopt the criteria for leasing and continued occupancy of the LTA-PB Units (“**LTA Criteria**”). HABC will require developers/owners of certain redeveloped public housing sites and/or certain project-based voucher sites to comply with the LTA Criteria.

Changes to metrics, baselines, and benchmarks: None

Metrics:

<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Number of households able to move to a better unit as a result of the activity	0 households	0	23 units	Yes

11. “CLOSED” (See Section D(4c) Utility Allowances for Families Living in Larger Units than Voucher Size (HCVP)

Thompson Leased Housing Program

12. Exception Payment Standards

Description/Update of MTW Activity: Payment Standards for the Thompson mobility program will be set between 90 and 130 percent of the HUD published Fair Market Rent. The payment standard will be set using a consistent methodology that compares the ratio of area median rent to the actual rent of the census tract. Implementation of exception payment standards is subject to funding availability.

444 new families have been leased in non-impacted, higher opportunity neighborhoods during FY 2014. The total number of households living in non-impacted census tracts as of June 30, 2014 is 1,882. The cumulative number of households that moved to non-impacted census tracts as of June 30, 2014 was 2,605.

Changes to metrics, baselines, and benchmarks: None.

Metrics:

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$5,131.50	\$5,500.00	\$2,750.00	Yes.
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	155.5 hours	155.5	80	Yes.
<i>CE #5: Increase in Agency Rental Revenue</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase in tenant rent share	\$365.65	\$9.06	\$16.26	Yes
<i>HC #5: Increase in Resident Mobility</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?

Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 households	430 households	591 households	Yes
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There were no hardship requests in FY 2016 as a result of implementing this MTW activity.

13. Thompson Biennial Recertifications

Description/Update of MTW Activity: Pursuant to HABC’s MTW authority, families participating in the Baltimore Regional Housing Mobility Program must have their household composition and income re-determined at least once every 25 months.

During FY 2014, MBQ completed 1,042 biennial recertifications for participants of the Baltimore Regional Housing Mobility Program. This is a cost savings initiative, reducing the number of recertification transactions that need to be completed annually. This activity is successful and no changes are planned for FY 2015.

Changes to metrics, baselines, and benchmarks: None

Metrics:

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Recertifications completed in FY 2009: 623 Staff time per recertification: 1.5 hours Average staff hourly salary: \$25.00 Total cost in FY 2009: \$23,363	\$20,042	Recertifications completed in FY 2016: 1,242 Staff time per recertification: 1.5 hours Average staff hourly salary: \$25.25 Total cost in FY 2016: \$47,040.75 *Increase in recertifications is due to the program more than doubling in size since implementation.	Yes. There were approximately 1,154 recertifications that were not required to be completed because of biennial scheduling. Those recertifications would have required 1,731 hours of staff time at a cost of \$43,707.75. Because the Program continues to grow in number of participants, the number of families requiring recertifications has increased.

<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Recertifications completed in FY 2009: 623	808 hours	Recertifications completed in FY 2016: 1,242* Staff time per recertification:	Yes. There were approximately 1,154 recertifications that were not required to

	Staff time per recertification: 1.5 hours Total staff time in FY 2009: 935 hours		1.5 Total staff time in FY 2016: 1,863 hours *Increase in recertifications is due to the program more than doubling in size since implementation.	be completed because of biennial scheduling. Those recertifications would have required 1,731 hours of staff time at a cost of \$43,707.75. Because the Program continues to grow in number of participants, the number of families requiring recertifications has increased.
CE #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease).	10%	5%	0%	Yes, the A-133 compliance audit completed by CliftonLarsenAllen for CY 2015 showed no errors or compliance issues for recertifications.

There were no hardship requests in FY 2016 as a result of implementing this MTW activity.

14. “CLOSED” (See Section D(15c) Risk-Based Inspections (Thompson Leased Housing))

15. HAP Contract Modifications – Floating Units

Description/Update of MTW Activity: Using MTW authority, this activity authorizes the Baltimore Regional Housing Mobility Program, in the Project Based Voucher Program, to allow floating units instead of identifying specific units in the HAP contract. MTW authority was needed to waive the requirement of identifying all units by address in the HAP contract. During FY 2016, this flexibility was not needed, but may be needed in the future.

Changes to metrics, baselines, and benchmarks: None

Metrics:

HC #5: Increase in Resident Mobility				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?

Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	0 units	4	4	Yes
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16. Asset Income for Thompson Participants

Description/Update of MTW Activity: Using MTW authority, this activity authorizes the Baltimore Regional Housing Mobility Program to exclude the asset income of participants in the Baltimore regional mobility program, when the declared value of assets is less than \$50,000. During FY 2014 all household had total asset values of less than \$50,000.

Changes to metrics, baselines, and benchmarks: None

Metrics:

CE #1: Agency Cost Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	Participants in FY 2009: 1,246 Staff time to verify assets: .75 hours Average staff hourly salary: \$25.45 Total cost in FY 2009: \$23,783	\$23,975	Participants with assets above \$50,000: 1 Staff time to verify assets: .75 hours Average staff hourly salary: \$25.25 Total cost in FY 2016: \$18.94	Yes, there were 26 families with assets less than \$50,000 that did not require verification
CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	Participants in FY 2009: 1,246 Staff time to verify assets: .75 hours Total staff time prior to implementation of activity: 935 hours	935 hours	Participants with assets above \$50,000: 1 Staff time to verify assets: .75 hours Total staff time in FY 2016: .75 hours	Yes, there were 26 families with assets less than \$50,000 that did not require verification
CE #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in	<1%	0%	0%	Yes, the A-133

completing a task as a percentage (decrease)				compliance audit completed by CliftonLarsenAllen for CY 2015 showed no errors or compliance issues in tenant asset income exclusion.
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There were no hardship requests in FY 2016 as a result of implementing this MTW activity.

17. Adjusted Income for Thompson Participants

Description/Update of MTW Activity: Pursuant to HABC’s MTW authority, the gross annual income of participants in the Baltimore Regional Housing Mobility Program shall be reduced using a standard deduction. There will be a standard deduction for working families, disabled families and non-disabled families without wages. The deductions are:

- \$3,200 for households with wages;
- \$1,200 for households without wages; and
- \$400 for any elderly or disabled family (to be combined with either of the above deductions)

The deductions are analyzed annually to assure that clients do not pay more than 25% of their annual income on average. This activity has improved efficiency and reduced the number of adjusted income calculation errors.

Changes to metrics, baselines, and benchmarks: None

Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$23,796	\$117	Number of recertifications, new admissions, and interims in FY 16: 3,623 Average hourly wage of specialist: \$25.25 Time to process income calculations: .25 hours Total spent on activity after to implementation: \$22,870.19	Yes, because the Program continues to grow in number of families served, the baseline and benchmark were based upon a smaller number of families.

CE #2: Staff Time Savings				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	935 hours	6 hours	Number of recertifications, new admissions, and interims in FY 16: 3,623 Time needed to process income calculations: .25 hours Total spent on activity after implementation: 905 hours	Yes, because the Program continues to grow in number of families served, the baseline and benchmark were based upon a smaller number of families.
CE #3: Decrease in Error Rate of Task Execution				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease)	8%	0%	0%	Yes, the A-133 compliance audit completed by CliftonLarsenAllen for CY 2015 showed no errors or compliance issues in tenant asset income exclusion.
CE #5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase in tenant rent share	\$0	\$0	\$0	\$0

There were no hardship requests in FY 2016 as a result of implementing this MTW activity.

18. Exclude Income from Full-Time Students and Adopted Household Members

Description/Update of MTW Activity: Using MTW authority, this activity authorized the Baltimore Regional Housing Mobility Program to exclude the all income from full time students and adoptive income sources. This was a new activity in FY 2014 and the exclusion is being phased in at the time of each household's regular biennial re-exam. As of June 30, 2014, there were 0 clients with adoptive income and 39 of 53 full time students still had wages (were not recertified during FY 2014).

Changes to metrics, baselines, and benchmarks: None

Metrics

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	<p>Households qualified for this activity: 42 (21 recertified in FY 2014)</p> <p>Average hourly wage of staff: \$25.45</p> <p>Time to calculate: 1 hour</p> <p>Total cost of activity prior to implementation: \$534</p>	\$0	<p>Households qualified for this activity with a qualifying action in FY16: 22</p> <p>Average hourly wage of staff: \$25.25</p> <p>Time to calculate: .25 hour</p> <p>Total cost in FY16: \$138.87</p>	Yes, all households qualified for this income exclusion have been processed.
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	21 hours	0 hours	<p>Households qualified for this activity with a qualifying action in FY16: 22</p> <p>Time to calculate: .25 hour</p> <p>Total spent on activity after to implementation: 5.5 hours</p>	Yes, all households qualified for this income exclusion have been processed.
<i>CE #3: Decrease in Error Rate of Task Execution</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Average error rate in completing a task as a percentage (decrease)	<1%	<1%	0%	Yes, the A-133 compliance audit completed by CliftonLarsenAllen for CY 2015 showed no errors or compliance issues in tenant income exclusion.

CE #5: Increase in Agency Rental Revenue				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Increase in tenant rent share	\$0	\$0	\$0	Yes

There were no hardship requests in FY 2016 as a result of implementing this MTW activity.

19. “CLOSED” (See Section D(11c). Energy Conservation and Utility Allowances

20. “CLOSED” (See Section D(13c) Limit on Interim recertifications (Leased Housing)_

21. “NOT IMPLEMENTED” See Section B(1n). Amendments to the Project-Based Voucher Contract (Leased Housing)

22. “CLOSED” See Section D(12c). The Front Door Program (Leased Housing)

23. “CLOSED” See SectionD(7c). Encouraging Leasing in Higher Opportunity Neighborhoods (Thompson Leased Housing)

B. Not Yet Implemented

In Project Based Voucher Amendments to the HAP Contract (HABC Leased Housing)

Description/Update of MTW Activity: HUD regulations at 24 CFR 983.206 (b) provide that “a HAP contract may be amended during the three-year period immediately following the execution date of the HAP contract to add additional PBV contract units in the same building. An amendment to the HAP contract is subject to all PBV requirements (e.g., rents are reasonable), except that a new PBV request for proposals is not required. Using its MTW authority, HABC plans to waive this three-year restriction, which will allow HABC to amend the HAP contract at any time during the initial fifteen year term of the HAP contract and during any renewal term of the HAP contract. Under this proposal, HABC may exercise this option for all PBV units, including, but not limited to the Bailey LTA and PBV units and the non-Bailey LTA PB units.

Approved: FY 2015 Annual Plan

Update on Implementation: HABC anticipates that implementation of this activity will occur in FY 2017.

C. Activities on Hold

1h. Family Self Sufficiency (Public Housing)

Description of MTW Activity: HABC established a combined Public Housing and HCV Family Self Sufficiency program. Program requirements varied from the existing regulatory framework in the following ways:

- 1) Elimination of mandated thresholds for number of participants in the HCVP program and expansion of the program to include public housing residents;
- 2) Enhanced program design to target the populations in need;
- 3) A focused on outcomes that included homeownership and unsubsidized economic independence;
- 4) Modification of the maximum contract period from five (5) to four (4) years; and
- 5) Revised procedures/regulations regarding the release of the escrow funds.

Approved: FY 2006 Annual Plan

Placed on Hold: FY 2014

Status Update: The FSS program that required MTW authority was placed on hold in FY 2014. HABC has reverted back to the traditional FSS program and does not need MTW authority to implement. HABC may choose to reactivate this activity in the future, but at this time has no definitive plans for reactivation.

2h. *MTW Homeownership Program – (Public Housing)*

Description MTW Activity: Using its MTW flexibility, HABC submitted a revised Section 32 Homeownership Plan, which was approved by HUD in 2009. Under the Plan, HABC will identify and rehabilitate various vacant scattered sites properties for homeownership sale to eligible residents.

Proposed Changes: Stricter guidelines imposed by lenders have reduced the number of public housing participants who are eligible to purchase a home, In addition, many public housing residents experience barriers when trying to purchase a home such as a poor credit history, lack of job history and retention and wariness in leaving the public housing rental program.

Approval: FY 2009 Annual Plan

Placed on Hold: FY 2014

Status Update: This activity was placed on hold in FY 2014 as HABC works to revise the program policies. HABC may choose to reactivate this activity in the future, but at this time has no definitive plans for reactivation.

3h. *Section 811 Supportive Housing (HABC Leased Housing)*

Description of MTW Activity: HABC proposed combining MTW funds with 811 funds to create units for non-elderly persons with disabilities pursuant to the Bailey Consent Decree. HABC intends to make these funds available through a competitive process and will require

developers to demonstrate through specified documentation that the project has a gap that cannot otherwise be addressed.

Approved: FY 2009 Annual Plan

Placed on Hold: FY 2014

Status Update: This activity was placed on hold in FY 2014 due to a lack of interest from developers. HABC may choose to reactivate this activity in the future, but at this time has no definitive plans for reactivation.

4h. *Project-Based Voucher Award Process (HABC Leased Housing)*

Description/Update of MTW Activity: HABC will establish a rolling selection process based on threshold criteria established by HABC

Approved: FY 2014 Annual Plan

Placed on Hold: FY 2015

Status Update: This MTW activity was intended to facilitate the increase of units in HABC's project-based voucher inventory in order to comply with the Authority's obligations under the Bailey Consent Decree ("the Decree"). Since HABC was able to acquire most of the units it needs under the Decree, this activity has been placed on hold in FY 2015 but HABC may choose to reactivate it in the future.

5h. *Direct Homeownership Program (Thompson Leased Housing)*

Description MTW Activity: The direct purchase second mortgage program is for applicants with incomes of no less than \$18,000 per year. Participants in this initiative do not receive a Section 8 homeownership voucher. A soft second mortgage of HOME VI funds is available through this program.

Approved: FY 2012 Annual Plan

Placed on Hold: FY 2014

Status Update: This activity was placed on hold in FY 2014 due to a lack of participants.

6h. *Energy Conservation Utility Allowance (HABC LEAWSED Housing)*

Description of MTW Activity: HABC provides utility allowances for households responsible for payment of utilities for water, electricity, gas, other heating, cooking fuels and sewage services. In an effort to reinforce energy conservation activities and reduce the cost of water/sewage utility allowances, HABC will encourage the completion of a water audit and use of low-flow toilets by HCV tenants and landlords/owners. HABC will conduct outreach to HCV landlords and tenants, where the household is responsible for payment of the water/sewer utility, to notify them of a locally funded opportunity to have a water audit conducted in their unit. Water audits will be conducted by the Department of Housing and Community Development, flow restrictors will be installed in the sink, the shower and water

hook-up valves. Tenants will be provided with water conservation measures free of charge. Landlords/owners are required to repair any leaks identified during the water audit before the conservation efforts will be implemented.

Using its MTW authority, those HCV households that have participated in the water audit and had the flow restrictive devices installed will be eligible to have low-flow toilets purchased and installed, free of charge, by HABC. HABC will establish a conservation water/sewer utility allowance (UA) for households who take part in and complete the water audit. HABC will apply the conservation water/sewer UA to the household at their first regular recertification after the conservation activities have been completed. Participation in the audit is not mandatory, however owners and tenants are incentivized to complete the audit to receive new toilets and reduce their water/sewer bills. Cost savings for this MTW initiative will be fully realized upon full reimbursement of the capital expenditure and upon adjustment of applicable UAs.

Approved: FY 2016 Annual Plan

Placed on Hold: March 21, 2016

Status Update: The FY2016 MTW Annual Plan was approved on March 21, 2016. A major component of this activity included the Energy Conservation Audit which was to be performed by the City of Baltimore Department of Housing and Community Development (DHCD). Due to the uncertainty of funding for DHCD, HABC will not be able to implement this activity at this time. HABC will re-evaluate the activity in its entirety for implementation at a later date.

D. Closed Out Activities

1c *Adoption of New Investment Policies for HABC (Fiscal Operations)*

In FY 2013, HABC proposed adopting new investment policies thereby increasing investment revenue and decreasing the federal expenditures necessary to carry out the federal program. For example, if the investment revenue is increased by \$100,000 due to a more favorable investment rate of return, this increased revenue can be used to offset the OPEB liability. This activity was closed as HABC decided not to implement it due to the terms of a General Depository Agreement with the State.

2c *Payment Standards at the 50th Percentile (HABC Leased Housing)*

This activity was approved in FY 2009. HUD has adjusted the area Fair Market Rent (FMR) to the 50th percentile for HABC; therefore MTW authority is no longer required and this activity was closed out in FY 2011.

3c *TDC Limits (Public Housing)*

In FY 2009 HABC established a local Total Development Cost policy to acquire the 58 scattered site units under the Thompson Consent Decree. This activity was approved by HUD via a letter dated March 12, 2009. In January 2012 the last scattered site unit was acquired and this activity was subsequently closed out.

4c *Utility Allowances for Families Living in Larger Units than Voucher Size (HABC Leased Housing)*

This MTW activity was implemented in FY2012. Under the 2014 Appropriations Act the rule on utility allowances changed to require that PHAs match the utility allowance payment to the actual unit size and not the voucher size. Based upon the 2014 Appropriations Act language HABC no longer needs to designate this activity as MTW.

This MTW activity was approved in the FY 2010 Annual Plan, but was incorporated into the FY 2015 unit size proposal at which time it was closed.

5c *Utility Allowances for Families Living in Larger Units than Voucher Size (Thompson Leased Housing)*

This MTW activity was approved in the FY 2014 Annual Plan, but has been incorporated into the FY 2015 unit size proposal at which time the activity was closed.

6c *Project-Based or Transitional Housing (HABC Leased Housing)*

This MTW activity was approved in the FY 2007-2008 Annual Plan. In 2014 The Collington House facility lost its eligibility to retain project-based vouchers and this program was closed out.

7c *Encouraging Leasing in Higher Opportunity Neighborhoods (Thompson Leased Housing)*

This MTW activity was planned for implementation in FY 2015 however upon further consideration BRHP will not implement this activity and it was closed out in FY2016.

8c *Gilmor Self Sufficiency Initiative (Public Housing)*

Description MTW Activity: This activity simplified the rent policy for staff and residents; and encouraged employment, job retention, and wage progression. It also increased choices for HABC's clients by providing residents with an additional rent policy option; and applicants with a demonstration site with enhanced self-sufficiency services and a rent policy versus other available public housing sites.

Status Update: A lack of funds to provide employment counseling forced the closure of this program in FY 2014 and the activity was subsequently closed in FY 2015.

9c *Rent Policy(Public Housing)*

Description of MTW Activity: HABC received HUD approval in FY 2012 to implement agency-wide the rent policy adopted for Gilmor Homes; however, due to lack of funding and the on-going revisions of the Gilmor Homes rent policies, this activity was first placed on hold, then subsequently closed in FY 2014.

Status Update: This activity was identical to the Gilmor Homes Demonstration Program and was implemented at the remainder of HABC's inventory however a shortage of funds to provide employment counseling forced the closure of this program in FY2015.

10c *Journey Home (HABC Leased Housing)*

Description/Update of MTW Activity: HABC will exercise its MTW fund flexibility in order to use MTW Block Grant Funds as housing subsidy for participants in the Journey Home Program.

Status Update: The Journey Home Program was put on hold effective June 2014 and subsequently closed in FY 2016 due to recruitment and retention issues. The program was shut down in May, and HABC suspended activity for new participants but continued to subsidize those already housed prior to May, 2014 until they completed the program.

11c *The Front Door Program (HABC Leased Housing)*

Description/Update of MTW Activity: HABC partnered with the Mayor's Office of Human Services/Homeless Services Program, Sarah's Hope (a shelter for the homeless); and St. Vincent De Paul to provide MTW Block Grant funds to the Front Door Program that will rapidly house 36 homeless families for up to one year using two distinct strategies. HABC will monitor each family's continuous occupancy for two-years after lease up.

Status Update: The contract ended December 31, 2014, six months into HABC's FY 2015. The contract has not been renewed, at which time the activity was put on hold for further evaluation then closed during FY 2015.

12c *Rent Increase Determinations (HABC Leased Housing)*

Description/Update of MTW Activity: This activity will increase cost effectiveness in Federal expenditures by keeping program spending within budgetary limits. Suspending rent increase adjustments will keep HCV program spending within budgetary limits. Exceeding available funding will force HABC to withdraw assistance from a number of families causing a hardship for those families and property owners.

Status Update: This MTW activity is intended to keep spending within budgetary limits. It was placed on hold in FY 2014 and subsequently closed in FY 2016.

13c *Limit on Interim Recertifications (HABC Leased Housing)*

Description/Update of MTW Activity: Currently HABC conducts regular recertifications on a biennial basis for all households with some exceptions, i.e. households with homeownership vouchers. HABC conducts regular recertifications every three (3) years for elderly and/or disabled households on fixed incomes. HABC existing policy on interim reexamination is such that households may report decreases in income/increases in unreimbursed expenses at any time (voluntary interim recertification) and HABC will, upon verification of the change, process an interim rent reduction. Conversely, households are required to report certain changes in household composition and increases in income (required interim recertifications). In such cases, HABC will process an interim rent increase three months from the date of the change or on the effective date of the recertification, whichever comes earlier.

Status Update: This activity was placed on hold in FY 2014 due to comments received from the public and closed out in FY2016.

14c *Risk-Based Inspections (HABC Leased Housing)*

Description/Update of MTW Activity: HABC is moving to a Risk-Based inspection process in order to ensure that the highest housing quality standards are maintained and that HABC resources are utilized in an efficient and effective manner. Units, which have consistently met annual inspection standards, will be inspected every two (2) years. Units, which do not have such a track record, will be inspected annually. HABC reserves the right to set and modify the inspection schedule for each unit. Special inspections may be scheduled at any time at HABC’s discretion.

Status Update: Effective April 7, 2016 this activity was no longer considered an MTW Activity based on PIH Notice 2016-05 Streamlining Administrative Regulations, Attachment K, and 24 CFR § 982.406.

Fiscal Year Activity Approved: FY 2006

Fiscal Year Activity Implemented: FY2015

Fiscal Year Activity Closed: FY 2016

Final Outcome: Although HABC did not realize the savings it projected for the agency substantial savings were realized when looking at Staff Time Savings (2,516 hours).

Lessons Learned: Upon implementation of this activity immediate savings in the amount of time staff spent on scheduling and completing inspections was realized. Our schedulers have more time as does our administrative staff because the amount of time spent on customer service and correspondence between landlords, residents and HABC has decreased as did the actual number of inspections. In addition landlords began to take better care of the property as they realized the benefits of bi-annual inspections which are time consuming and disruptive to the resident and management staff. HABC will continue this activity.

HABC Risk Based Inspections Summary FY 2015

<i>CE #1: Agency Cost Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total cost of task in dollars (decrease).	\$803,743	\$742,280	\$746,554	No. However, the agency did save \$57,189.
<i>CE #2: Staff Time Savings</i>				
Unit of Measurement	Baseline	Benchmark	Outcome	Benchmark Achieved?
Total time to complete the task in staff hours (decrease).	35,360 hours	32,656 hours	32,844 hours	No. However, the agency did save 2,516 hrs.

15c Risk-Based Inspections (Thompson Leased Housing)

Description/Update of MTW Activity (Thompson): Pursuant to HABC’s MTW authority, units in the Baltimore Regional Housing Mobility Program are re-inspected at least once every 25 months. Owners and families are allowed to self-certify that non-emergency items identified as “fail” during an HQS inspection have been repaired. Only units located in the allowable (non-impacted) areas are eligible for this option. The fail items must be minor and determined to be non-emergency to be eligible for self-certification. The self-certification process will require the owner and tenant family to certify that the repairs have been made. A random sample of units that have been approved under the self-certification option will receive a quality control inspection.

Status Update: Effective April 7, 2016 this activity was no longer considered an MTW Activity based on PIH Notice 2016-05 Streamlining Administrative Regulations, Attachment K, and 24 CFR § 982.406.

Fiscal Year Activity Approved: FY 2010

Fiscal Year Activity Implemented: FY2010

Fiscal Year Activity Closed: FY 2016

Final Outcome: Substantial savings were realized when looking at the time it took staff to perform inspections and the cost to the agency. The BRHP will continue to utilize Risk-Based Inspections in order to realize cost savings and become more efficient in its operations.

Lessons Learned: The BRHP has found this to be an invaluable cost savings endeavor.

Thompson Risk-Based Inspections Summary Table

Fiscal Year of Activity	No. of Inspections to be Completed Before MTW	No. of Inspections to be Completed After MTW	Cost of Inspections Before MTW (No. of Inspections X \$56.20)	Cost of Inspections After MTW (No. of Inspections X \$56.20)	Agency Savings on the Cost of Performing Inspections	No. of Staff Hours to Complete Inspections	No. of Staff Hours to Complete Inspections	Agency Savings on the Number of Hours Needed to Complete Inspections
Baseline: 2009	739		\$41,531.80			1,108.50		
2010	1,901	1,081	\$ 106,836.20	\$60,752.20	\$ 46,084.00	2,851.50	1,621.50	1,230.00
2011	1,927	946	\$ 108,297.40	\$53,165.20	\$55,132.20	2,890.50	1,419	1,471.50
2012	2,191	772	\$ 123,134.20	\$43,386.40	\$ 79,747.80	3,286.50	1,158	2,128.50
2013	2,585	1,428	\$ 145,277.00	\$80,253.60	\$ 65,023.40	3,877.50	2,142	1,735.50
2014	3,459	2,191	\$ 194,395.80	\$ 123,134.20	\$71,261.60	5,188.50	3,286.50	1,902.00
2015	4,103	2,590	\$ 230,588.60	\$ 145,558.00	\$ 85,030.60	6,154.50	3,885	2,269.50

V. MTW Sources and Uses of Funding

PHA's shall submit their audited and unaudited information in the prescribed FDS format through the Financial Assessment System – PHA (FASPHA) or its successor system.

A. Single Fund Flexibility

The restated MTW Agreement allows HABC to combine public housing operating and capital funds (including development and replacement housing factor) provided under Section 9 and tenant-based voucher program funds provided under Section 8 of the 1937 Act into a single, authority-wide funding source. HABC uses this funding source to carry out the MTW program activities to provide flexibility in the design and administration of housing assistance to eligible families, to reduce cost and achieve greater cost effectiveness in federal expenditures.

Due to inadequate HUD funding for capital improvement needs, in FY 2016 HABC used \$1,337,705 of the planned \$1,913,446 HAP Funds to pay for capital improvement activities. The remaining amount has been deferred for uses in FY 2017. Also in FY16 \$8,277,460 in Public Housing Funds were used to supplement the Capital Fund program for vacancy renovation. Without the Single Fund flexibility, HABC could not have provided the needed capital improvements to its housing sites. These capital improvement activities improve HABC's residents' qualities of lives as windows were replaced, more accessible units were made available, heating and mechanical systems were upgraded, more units available for occupancy, etc. HABC recognizes that MTW Funds may be used to provide gap financing for the construction of Section 811 units.

B. Local Asset Management Plan

V.2.Plan.Local Asset Management Plan

B. MTW Plan: Local Asset Management Plan

Is the PHA allocating costs within statute?

	or	No
--	----	-----------

Is the PHA implementing a local asset management plan (LAMP)?

Yes	or	
------------	----	--

If the PHA is implementing a LAMP, it shall be described in an appendix every year beginning with the year it is proposed and approved. The narrative shall explain the deviations from existing HUD requirements and should be updated if any changes are made to the LAMP.

Has the PHA provided a LAMP in the appendix?

Yes	or	
------------	----	--

PHAs should provide a brief summary of any changes in the Local Asset Management Plan in the body of the Plan.

Changes to the Local Asset Management Plan:

The FY 2016 Local Asset Management Plan (LAMP) represents year seven of HABC's indirect costs methodology, approved by HUD as part of its MTW annual plan. The worksheet that is used to identify direct and indirect costs and to develop the anticipated indirect rate is attached to this Annual Report as Appendix B. The specific approach is as follows:

- Identify the direct cost base (D) and our indirect cost pool (I);
- Separate between MTW and non-MTW programs;
- All hard costs (capital) and HAP payments to landlords are excluded from the direct cost calculations;
- Develop two indirect cost rates (I/D): one for MTW and one for non-MTW.

The FY 2016 LAMP calculations are based on the HABC Fiscal Year 2015 Approved Consolidated Budget. Based on this budget and the attached schedule, the indirect cost rate for 2016 was 12.42% for MTW and 12.18% for non-MTW (see Attachment B).

The LAMP Indirect Cost Rate is updated every year based on the expenditure level of the indirect departments such as Central Office, while the direct costs such as maintenance, utilities, etc. have changed over the years. As a result, the Indirect Rate changes because the numerator (indirect) and the denominator (direct costs) have changed.

VI. Administrative

Appendix A: Certification of Compliance

Appendix B: Local Asset Management Cost Allocation and Indirect Costs

Appendix C: EPC Reporting Requirements

Appendix D: FY 2015 Audit Report

Appendix E: Other HABC Housing

Appendix F: Emergency & Safety Grant

Appendix G: General Information/MTW Sources & Uses of Funds

Appendix H: Non-MTW Related Information

Appendix I: Performance & Evaluation Reports

Appendix J: Waiting List Demographics

HABC FY15 Indirect Cost Rate Explanation, a component of HABC's Local Asset management Plan

This cost allocation plan and process for Fiscal Year 2016 represents year seven of HABC's local asset management plan allowed and approved as a component of its MTW participation.

Cost Allocation Approach

This indirect rate calculation is modeled directly on the past few years' methodology. Consistent with the OMB Circular A-87 cost principles, HABC has identified and segregated all its costs into a direct cost pool and an indirect cost pool. The basic principle to determine whether costs should be treated as direct or indirect is whether the cost can be directly attributed to one program or to multiple programs. Those costs that can generally be attributed to supporting one program are included as direct. Included in the direct pool are:

- All public housing development (or AMP) site direct costs;
- All central frontline costs (both operating and capital), including Resident Services, Work Orders, Leasing, Legal, and the like;
- All Central Maintenance crews, whose work will be direct costed to the maximum extent;
- All HCVP department expenses;
- All Modernization and Development expenses;
- All City direct expenses;
- All partnership housing program direct expenses.

The above direct cost services have been carefully reviewed and found to support specific unique programs, whether it be public housing, Section 8, or direct City programs.

Those costs that cannot be easily attributed to supporting one program are treated as indirect costs under the indirect cost pool. Indirect costs include:

- Most central office departments, including Executive, Finance, Human Resources, Information Technology, and the like;

The above indirect cost services have been carefully reviewed and found to support multiple programs, and as such must be treated as indirect, and allocated out in proportion to the direct services they support.

The worksheet used to identify direct and indirect costs and to develop the anticipated indirect rate is attached to this narrative as **Attachment A**.

The specific approach is as follows:

- Identify the direct cost base (D) and our indirect cost pool (I);
- Separate them out MTW and non-MTW;
- Develop two indirect cost rates (I/D), one for MTW and one for non-MTW, which are used to allocate indirect costs to the direct programs;
- Excluded from the direct cost base are all hard costs (capital), and HAP payments to landlords.

All costs used in this analysis are from the HABC Fiscal Year 2015 Approved Consolidated Budget. Based on this budget and the attached schedule, **the indirect cost rate for 2016 will be 12.42% for MTW and 12.18% for non-MTW (see Attachment A).**

MTW PLAN - ATTACHMENT A
HABC Proposed Cost Allocation Methodology - FY 2016
Calculation of Indirect Cost Rate

<u>Direct</u>	<u>FY14</u>	<u>FY15</u>	<u>Change</u>	<u>Share</u>	<u>MTW</u>	<u>Non-MTW</u>	<u>OH Limit</u>	<u>OH shortfall</u>	<u>Comments</u>	<u>Proof</u>
Sites (LIPH)	61,264,207	54,645,981	-11%	15%	54,645,981					
Sites PVT	9,539,074	7,442,742	-22%	2%	7,442,742					
Sites (CFP hard-includes ECI)	15,640,847	18,599,073	19%	5%	18,599,073					
Sites (CFP soft - includes ECI)	8,075,163	7,844,818	-3%	2%	7,844,818					
Sites - Special Projects	-	-	0%	0%	-					
EPC Costs (Hard)	5,224,980	-	-100%	0%	-					
EPC Soft	379,438	-	-100%	0%	-					
Crews	8,470,485	8,971,578	6%	3%	8,971,578					
HCVP HAP	169,165,036	175,166,852	4%	49%	165,627,845	9,539,007				
HCVP Admin	9,960,133	12,769,045	28%	4%	11,777,881	991,164				
Development Hard/HOPE VI	7,242,877	26,869,179	271%	8%	3,399,334	23,469,845				
Development Soft	1,014,534	750,541	-26%	0%	448,202	302,339				
DHCD Hard	11,270,610	2,023,359	-82%	1%	-	2,023,359				
DHCD Soft	5,799,581	7,215,366	24%	2%	-	7,215,366				
RAB	210,801	208,282	-1%	0%	208,282					
Res Serv	2,610,236	3,585,517	37%	1%	2,496,514	1,089,003				
Res Serv - Grants	816,026	1,204,272	48%	0%	-	1,204,272	120,427	28,834	Likely charge to AMPs	
F&A Frontline	-	-	-	-	-	-				
HABCO Hard	-	-	-	0%	-	-				
HABCO Soft	1,557,584	1,347,268	-14%	0%	-	1,347,268				
Hsg. Applic.	979,004	1,005,798	3%	0%	1,005,798					
Hsg. Ops. (dir)	3,091,219	3,205,427	4%	1%	3,205,427					
Homnrshp	-	-	0%	0%	-	-				
Legal, Lease enforcement	-	-	0%	0%	-	-				
Relocation	439,732	316,701	-28%	0%	316,701					
Work Order Ctr.	304,782	291,683	-4%	0%	291,683					
Fund 113	1,524,489	1,578,053	4%	0%	-	1,578,053				
Undesignated/Legacy	2,502,407	2,531,214	1%	1%	2,531,214					
CFO Other General + EDP	3,896,962	5,207,292	34%	1%	5,207,292				likely to be spent at AMPs	
Subtotal Direct	330,980,206	342,780,040	4%	96.1%	294,020,364	48,759,676	342,780,040			(1)
<i>Less: Non-Relevant Expenses</i>										
Hard Cost (Devel, HABCO)	28,108,704	45,468,252	62%		21,998,407	23,469,845				
HAP	169,165,036	175,166,852	4%		165,627,845	9,539,007				
Debt Service	6,517,069	6,517,069	0%		6,517,069					
DHCD Hard cost	11,270,610	2,023,359	-82%		-	2,023,359				
RAD Deduct	-	2,221,698	0%		2,221,698	-				
Subtotal Direct	115,918,787	111,382,809	-4%		97,655,345	13,727,465	111,382,809			(0)
	<u>Total Direct</u>	<u>Total Direct</u>	<u>Change</u>		<u>MTW Direct</u>	<u>Non-MTW Dir</u>	<u>MTW Indir</u>	<u>Non-MTW Ind</u>	<u>Total Program Cost</u>	
									<u>(Direct + Indirect)</u>	
Low Rent	93,308,908	85,190,516	-9%		85,190,516	-	10,587,635	-	95,778,150	
CFP/RHF	1,558,094	1,327,749	-15%		1,327,749	-	164,566	-	1,492,315	
HCVP	9,960,133	12,769,045	28%		11,777,881	991,164	1,459,790	122,848	14,351,684	
Devel	1,014,534	750,541	-26%		448,202	302,339	55,552	37,473	843,566	
HABCO	1,557,584	1,347,268	-14%		-	1,347,268	-	166,985	1,514,253	
DHCD	5,799,581	7,215,366	24%		-	7,215,366	-	894,297	8,109,663	
Grants	816,026	1,204,272	48%		-	1,204,272	-	120,427	1,324,699	
EPC	379,438	-	-100%		-	-	-	-	-	
Biz Activities	1,524,489	1,578,053	4%		-	1,578,053	-	195,589	1,773,643	
115,918,787	111,382,809	-4%			98,744,348	12,638,462	12,267,542	1,537,619	125,187,971	
<i>Indirect</i>					(1,089,003)	1,089,003				
Admin Services	506,289	441,529	-13%	0.1%			12.42%	12.17%		
Audits	327,177	239,145	-27%	0.1%						
Budgets	492,303	439,399	-11%	0.1%						
CFO	1,301,286	1,709,969	31%	0.5%						
Agency Wide	-	-	0%	0.0%						
Communications	355,437	340,130	-4%	0.1%						
Dep Exec Director	481,810	508,145	5%	0.1%						
Executive Director	529,319	539,811	2%	0.2%						
Facilities/Bldg. Support	1,589,767	1,556,507	-2%	0.4%						
FHEO	737,567	646,708	-12%	0.2%						
Finance & Accounting	1,710,273	1,705,047	0%	0.5%						
HousingStat	1,508	-	-100%	0.0%						
Human Resources	1,235,752	1,443,834	17%	0.4%						
IT	1,650,129	1,366,791	-17%	0.4%						
Inspector General	884,269	859,896	-3%	0.2%						
Legal - attorneys	1,291,271	1,382,829	7%	0.4%						
Procurements	828,113	625,422	-24%	0.2%						
Legacy costs	-	-	0%	0.0%						
Subtotal Indirect	13,922,270	13,805,162	-1%	3.9%	12,103,733	1,701,428	13,805,162			
Program totals (Dir + Ind)	129,841,057	125,187,971								
Indirect Cost Rate (I/D)					12.39%					
					88%	12%				
TOTAL	344,902,476	356,585,201	3%	100%	306,124,097	50,461,104				
					86%	14%				
<i>Reallocation of non-allocable overhead</i>					28,834	(28,834)				
Total Indirect Charges	13,922,270	13,805,162			12,132,568	1,672,594				
Total Program Indirect Rate					12.42%	12.18%				
Tot Exp. per FY15 S&U Budget	344,902,487	356,566,659								
Overall Proof	344,902,476	356,585,201								
Variance	11	(18,542)	-0.01%							
	<u>This File</u>	<u>This File</u>	<u>Var</u>							
Indirect Depts	17,819,232	19,012,454			(1,802,504)					
AMPs, with FLs	89,411,946	82,204,922	7,816,313							



**BALTIMORE
HOUSING**

STEPHANIE
RAWLINGS-BLAKE
Mayor

PAUL T. GRAZIANO
Executive Director, HABC
Commissioner, HCD

HOUSING AUTHORITY OF BALTIMORE CITY
Appendix A: Certification of Compliance
FY 2016 Annual Report

I, Paul T. Graziano, Executive Director, hereby provide this certification on behalf of the Housing Authority of Baltimore City (HABC) in submitting the FY 2016 MTW Annual Report. I hereby certify that HABC has met the following three statutory requirements as set forth under its Moving to Work Agreement: 1) assuring that at least 75 percent of the families assisted by HABC are very low-income families; 2) continuing to assist substantially the same total number of eligible low-income families as would have been served had the public housing and Section 8 funds not been combined; and 3) maintaining a comparable mix of families (by family size) served, as would have been provided had the MTW funds not been used under the demonstration.

Paul T. Graziano, Executive Director:

September 28, 2016
Date:



APPENDIX C: EPC REPORTING REQUIREMENTS - PERIOD ENDING 6/30/16

	Brooklyn AMP 21	Latrobe AMP 001	Westport AMP 022	Cherry Hill AMP 011	Gilmor AMP 006	Subtotal	Notes
Is the project ESCo or Self-developed?	Self-Developed	Self-Developed	Self-Developed	Self-Developed	Self-Developed		
What are the number of rehabilitated units in the energy project ?	485	676	200	1281	571	3213	
What are the number of rehabilitated AMPS in the energy project?	1	1	1	1	1	5	
What is Total Investment (\$MM)	\$4.68	\$26.0	\$2.57	\$34.6	\$6.6	\$74.75	
What is Total financed (\$MM)	\$2.08	\$20.5	\$1.37	\$24.1	\$2.96	\$51.15	
What is Debt Service (Annual)	\$182,556	\$1,333,626	\$70,379	\$1,712,314	\$273,656	\$3,572,531	
What are Projected savings (Source: Independent Utility Analyst Consultant & IGEA)	\$513,971	\$ 883,411	\$152,448	\$1,936,700	\$355,234	\$ 3,841,764	

APPENDIX C: EPC REPORTING REQUIREMENTS - PERIOD ENDING 6/30/16

	Brooklyn AMP 21 485	Latrobe AMP 001 672	Westport AMP 022 200	Cherry Hill AMP 011 1281	Gilmor AMP 006 545	Subtotal 3183	Notes
What are Actual Savings (Source: 3rd party Annual Measurement and Verification report- FYE 15	\$ 377,935	\$ 1,259,910	\$ 165,481	\$ 1,747,342	\$ 312,745	\$ 3,863,414	
What is the Investment per unit (\$MM);	\$10,948	\$36,553	\$11,550	\$27,096	\$13,503	\$19,930	Average
What is the Finance per unit;	\$5,588	\$28,269	\$5,550	\$18,899	\$7,023	\$13,066	Average
What is the Savings per unit?	\$ 779	\$ 1875	\$ 827	\$ 1364	\$ 574	\$ 1214	
What is the Savings per project (AMP)?	\$ 377,935	\$ 1,259,910	\$ 165,481	\$ 1,747,342	\$ 312,745	\$ 3,863,414	

APPENDIX C: EPC REPORTING REQUIREMENTS - PERIOD ENDING 6/30/16

What is the Term of the contract?	20 years	20 years	20 years	20 years	20 years		
What date was the Request for Proposal issued?	12/22/2003	12/22/2003	12/22/2003	12/22/2003	12/22/2003		
What was Date audit executed?	5/12/2006	5/12/2006	5/12/2006	5/12/2006	5/12/2006		

INDEPENDENT AUDIT REPORT

HOUSING AUTHORITY OF BALTIMORE CITY

— **FY 2015** —

FISCAL YEAR ENDING JUNE 30, 2015





BALTIMORE HOUSING

STEPHANIE
PAWLIKOWSKI-BLANE
Mayor

PAUL LUKAZIANI
Executive Director, HABC
Commissioner, UCTD

February 23, 2016

Board of Commissioners
Housing Authority of Baltimore City
Baltimore, Maryland

Dear Board Members:

Enclosed are the Independent Auditor's Report and the Report on Single Audit for the Housing Authority of Baltimore City (HABC) issued by Rubino & Company for the fiscal year ending June 30, 2015. Also included is the Management's Discussion and Analysis (MD&A) that provides additional information and results of the financial activities for the fiscal year ending June 30, 2015.

The enclosed Independent Audit Report provides a clean "unmodified" opinion on the financial statements. The Report on Single Audit has no audit finding for FY 2015. HABC continues to carefully monitor and balance its budgets to ensure that its goals are achieved for the Moving-to-Work (MTW) Demonstration Program including providing safe, decent and affordable homes, facilitating neighborhood revitalization, promoting housing choice and resident economic self-sufficiency, and reducing administrative costs.

HABC is refining its strategic plans for the public housing portfolio that will provide a framework and roadmap for delivery of day to day services, future investments and development activities. In late December 2013, HUD approved the plan to fully renovate over 4,000 units of public housing under the Rental Assistance Demonstration (RAD). This will result in approximately \$350 million in capital upgrades to these units. HABC will continue to pursue traditional and non-traditional sources of funding, including identifying ways in which MTW flexibility can be used to leverage and support reinvestment in HABC developments. This will be especially critical given funding uncertainties in Washington. As of the report date, HABC has successfully closed eight RAD sites totaling 1,514 units.

During FY 2015, HABC undertook a broad range of housing, capital improvement, resident services and development activities consistent with its long-term MTW vision and the MTW Annual Plan. Significant initiatives and accomplishments were as follows:

- Achieved a 95% adjusted occupancy rate in its public housing developments in June 2015. The adjusted occupancy included 549 units in RAD related buildings held vacant to support the rehabilitation and relocation activities.
- Served 16,746 households under its Section 8 leased housing programs in June 2015, which included 2,790 households assisted under the Thompson Tenant Based / Project Based and Remedial Vouchers initiatives.



- Continued capital improvement activities, which included vacancy renovations, window and roof replacements, sidewalk repairs at various housing sites, the replacement of steam and gas lines at Perkins and Douglass Homes. Development activities also continued with the planned construction of 43 new handicap accessible units, of which 23 units are completed and 20 units are under construction.
- Continued to serve over 3,200 households by HABC's Resident Services Division through a wide array of self-sufficiency, personal development and supportive service programs including a Targeted Unemployment Initiative, which assists unemployed residents in obtaining jobs.
- Implemented the Risk-Based Inspection process with a total of 2,246 units qualified by consistently meeting the annual Housing Quality Standards (HQS). HABC will expand this initiative by continuing to analyze data and trends in annual inspections to determine the best implementation methods for additional Risk-Based Inspection activity.
- HABC has provided up to 850 vouchers to eligible chronically homeless households. Participants use their vouchers to find affordable permanent housing, while receiving supportive services from other agencies in the City of Baltimore.

I am very proud of the accomplishments and look forward to building on this progress in 2016. If you have questions regarding this report, please contact my office at (410) 396-3232 or HABC's Chief Financial Officer, H. Rainbow Liu, at (410) 396-8303.

Sincerely,



Paul T. Graziano
Executive Director

Enclosures

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Housing Authority of Baltimore City
Baltimore, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the Business Type Activities, discretely presented component unit and Fiduciary Fund of the Housing Authority of Baltimore City (the Authority) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Business Type Activities, discretely presented component unit and the Fiduciary Fund of the Authority as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 1 and 12 to the financial statements, in 2015, the Authority adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Prior Period Financial Statements

We did not audit the financial statements as of and for the year ended June 30, 2014. Those statements were audited by another auditor whose report dated March 17, 2015, reported an unmodified opinion.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the accompanying information listed in the table of contents as required supplemental information on pages 4 through 17 and 59 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying information listed in the table of contents as supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements and is presented for the Department of Housing and Urban Development's information. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 23, 2016 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

A handwritten signature in cursive script that reads "Rubins & Company". The signature is written in black ink and is positioned to the right of the date and location text.

February 23, 2016
Bethesda, Maryland

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending June 30, 2015**

As management of the Housing Authority of Baltimore City (HABC), we offer the readers of HABC's financial statements this narrative overview and analysis of the financial activities of the HABC for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with HABC's financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Housing Authority of Baltimore City, 417 E. Fayette Street, Baltimore, MD 21202, or contact HABC's Executive Director, Paul T. Graziano at (410) 396-3232 or the Chief Financial Officer, H. Rainbow Lin at (410) 396-8303.

Overview of FY 2015 Financial Statements

HABC reports its programs and activities under the Proprietary Fund. In addition, the financial statements also present separate Fiduciary Funds, which include the Other Post-Employment Benefits (OPEB) Trust and the Employee Retirement Plan. Resident Services, Inc. (RSI) is presented as a discretely presented component unit. This Management's Discussion and Analysis (MD&A) covers the Proprietary Fund only.

As of June 30, 2015, HABC's Proprietary Fund Net Position was \$485,696,166 as compared to \$478,598,318 as of June 30, 2014, which is an increase of \$7,097,848. The changes in Net Position are discussed as follows:

- **Investment in Capital Assets** decreased by \$6,789,580 as compared to FY 2014. HABC made capital investments of \$24,246,820. The capital investments were offset by reductions in the amount of \$31,036,400 for depreciation expenses, fixed assets disposals and capital debt activity. A detailed analysis of the changes in Investment in Capital Assets is provided in a later section.
- **Restricted and Unrestricted Net Position** increased from FY 2014 by \$13,887,428. HABC's Restricted Reserves are established for specific purposes, including the Uniform Federal Accessibility Standards (UFAS) reserve, replacement reserves, Investment in Joint Ventures, program income reserves, and HUD approved self-insurance reserve funds that are subject to HUD's approval before any funds could be used to pay claims, settlement or legal service fees. Unrestricted Net Position changes as a result of operations and management's decision to apply payments toward debt service.

Background and Overview of Agency

Moving to Work (MTW) Agreement

HABC has become a Moving to Work (MTW) agency since March 2005. On December 24, 2008, HABC entered into a ten-year Amended and Restated MTW Agreement with the U.S. Department of Housing and Urban Development (HUD). The term of the MTW Agreement with HUD will continue until June 30, 2018.

MTW is a national demonstration program authorized by Congress, which gives HABC the flexibility to waive certain statutes and HUD regulations pertaining to the Public Housing and Housing Choice Voucher Program (HCVP). The MTW statutory objectives include the following:

1. Reduce cost and achieve greater cost effectiveness in Federal expenditures;
2. Give incentives to families with children whose heads of household are either working, seeking work, or participating in job training, educational or other programs that assist in obtaining employment and becoming economically self-sufficient; and,

**HOUSING AUTHORITY OF BALTIMORE CITY
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3. Increase housing choices for low-income families.

MTW agencies have the flexibility to combine Federal funds from the public housing operating and modernization programs and Housing Choice Voucher program into a “block grant” to help better meet the purposes of the demonstration and the needs of their communities. However, MTW Agencies must still abide by all other federal rules and regulations, including the Fair Housing Act, the Civil Rights Act, labor standards, environmental rules, procurement guidelines, demolition and disposition procedures and relocation regulations.

The MTW activities undertaken and/or planned by HABC are all designed to promote one or more of the above statutory objectives. Under the MTW Agreement, HABC’s funding sources are separated between the MTW Block Grant and the Non-MTW funding programs. MTW Block Grant contains three major funding sources – Low Rent Public Housing (LRPH), Section 8 Housing Choice Voucher Program (HCVP) and the Capital Fund Program (CFP) / Demolition or Disposition Transitional Funding (DDT), formerly known as Replacement Housing Factor Fund (RHFF). All other funding programs fall into the category of Non-MTW.

In addition to the enclosed financial information, HABC has also prepared and made available asset management project (AMP) based financial statements starting in FY 2009 utilizing HABC’s internal accounting reporting system. Each funding program (MTW and Non-MTW) is accounted for separately and is reported in conformity with accounting principles generally accepted in the United States of America.

The FY 2015 Annual Report was submitted to HUD on September 25, 2015. Its Annual Plan Amendment, containing the Rental Assistance Program (RAD) significant amendment was approved by HUD on October 27, 2015.

Summary of the Financial Statements

The financial statements included in this audit report are those of a special-purpose government engaged in a business-type activity including the following:

- Statements of Net Position – report HABC’s current financial resources (short-term spendable resources) with capital assets and long-term debt obligations.
- Statements of Revenues, Expenses and Changes in Net Position – report HABC’s operating and non-operating revenues by major source, along with operating and non-operating expenses and capital contributions.
- Statements of Cash Flows – report HABC’s cash flows from operating, investing, capital and non-capital activities.

Our analysis of HABC as a whole begins in the next section. The financial statements of HABC reflect the financial results and management’s goals for a fiscal year. The primary measurement of management’s goals and financial results are the changes in net position.

Net position is an important measure of HABC’s financial position. HABC’s net position is the difference between what HABC owns (assets) and what HABC owes (liabilities). The attached analysis of entity-wide (proprietary fund) net position, revenues and expenses are provided to assist with answering the above question. This analysis includes all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. Accrual of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid. This analysis also reflects HABC’s net position and its changes.

Over time, changes in HABC’s net position are an indicator of whether its financial health is improving or deteriorating. Reductions in net position from year to year reflect management’s strategic decisions. Readers need to consider other non-financial factors such as changes in family composition, fluctuations in

**HOUSING AUTHORITY OF BALTIMORE CITY
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the local economy, HUD mandated program administrative changes, and the physical condition of HABC's capital assets to assess the overall health of HABC.

Analysis of Entity-Wide Net Position (Proprietary Fund Only)

Total Net Position for the Proprietary Fund for FY 2015 were \$485,696,166 and for FY 2014 \$478,598,318. This represented an increase of \$7,097,848. Listed below are areas that reported major increases or decreases in FY 2015:

- **Total Cash & Investments** increased \$11,017,732. Management made a decision to utilize the cash and investments increase for payment of the Capital Fund Financing Program Bond in September 2015.
- **Net Accounts Receivable** increased \$31,256, which included tenant accounts receivable, portability receivables from other Housing Authorities, repayments due from private management companies, etc.
- **Due from Government Agencies** decreased \$38,451 as a result of HUD net payment for expenditures made in the prior fiscal year.
- **Due from Fiduciary** decreased by \$634,237. HABC recognized the prior year receivable as contribution from HABC to reduce HABC's outstanding unfunded liability in OPEB.
- **Capital Assets**, net of accumulated depreciation, decreased \$7,595,771. The change in Net Capital Assets is presented with additional detail under the Analysis of Net Capital Assets section below.
- **Non-Current Assets** increased \$1,847,511. The increase in Non-Current Assets was mainly due to the recognition of an increase in Investment in Joint Ventures of \$1,276,449. Investments in Joint Ventures are capital equity investments by HABC into mixed financing projects. Changes in the balance are affected by additional investments by HABC and the results of operations for the mixed financing projects including Orchard Ridge Rental IV, LLC, Barclay Phase II and O'Donnell Heights.
- **Current Liabilities** decreased by a net amount of \$5,713,488 as a result of the HUD approved self-insurance reserve fund and accrual of the Capital Fund Financing Program Bond payoff.
- **Long Term Liabilities** increased \$1,060,642 for reclassification of the capital vehicle leases, EPC Bond, and OPEB from current to noncurrent liabilities.
- **Deferred Inflows** increased \$2,647,317. HABC recognized current and prior year pension forfeitures from the pension fund as a deferred inflow in compliance with GASB 67 requirements.
- **Net Position** increased \$7,097,848 as discussed previously under the Financial Highlights section.

**HOUSING AUTHORITY OF BALTIMORE CITY
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The table below further illustrates our analysis of the Entity-Wide Net Position.

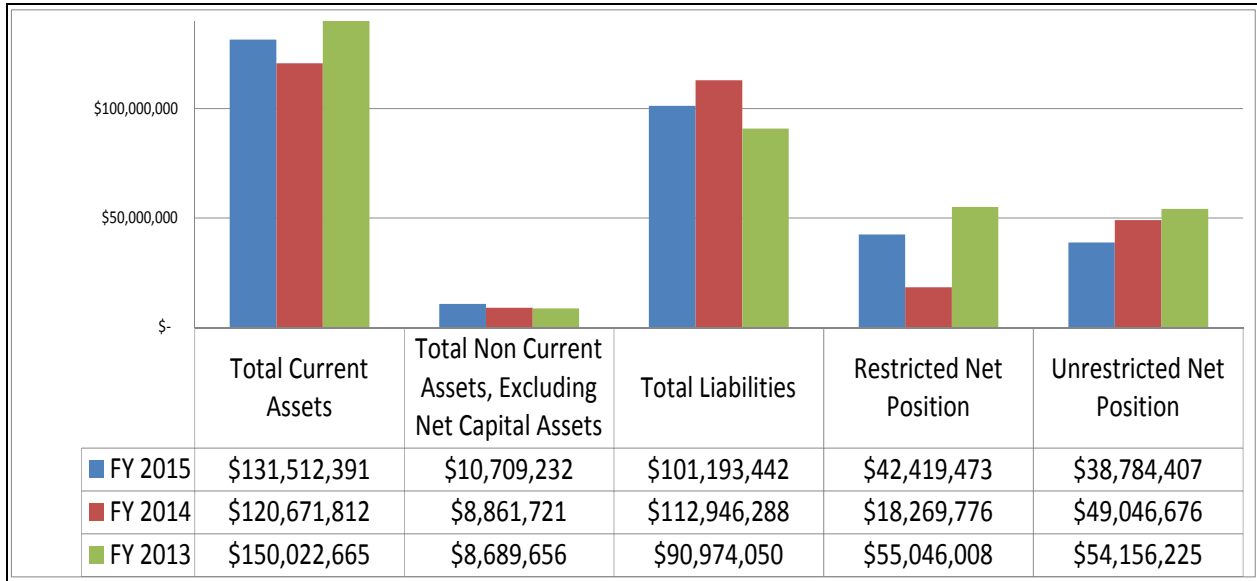
Proprietary Fund Net Position by Fiscal Years

	FY 2015	FY 2014	FY 2013	FY 2015 vs. FY 2014 Net Increase / (Decrease)	FY 2014 vs. FY 2013 Net Increase / (Decrease)
Total Cash & Investments	\$ 123,663,447	\$ 112,645,715	\$ 139,266,238	\$ 11,017,732	\$ (26,620,523)
Net Accounts Receivable	1,423,284	1,392,028	1,254,684	31,256	137,344
Due from Government	2,637,888	2,676,339	5,680,822	(38,451)	(3,004,483)
Due from Component Unit	42,356	163,823	0	(121,467)	163,823
Due from Fiduciary	0	634,237	689,141	(634,237)	(54,904)
Other Current Assets	3,745,416	3,159,670	3,131,780	585,746	27,890
Net Capital Assets	454,415,302	462,011,073	469,223,875	(7,595,771)	(7,212,802)
Non-Current Assets	10,709,232	8,861,721	8,689,656	1,847,511	172,065
Total Assets	596,636,925	591,544,606	627,936,196	5,092,319	(36,391,590)
Current Liabilities	48,163,598	53,877,086	30,087,408	(5,713,488)	23,789,678
Long Term Liabilities	60,129,844	59,069,202	60,886,642	1,060,642	(1,817,440)
Total Liabilities	108,293,442	112,946,288	90,974,050	(4,652,846)	21,972,238
Deferred Inflows	2,647,317	0	0	2,647,317	0
Investments in Capital Assets	404,492,286	411,281,866	427,759,913	(6,789,580)	(16,478,047)
Restricted Net Position	42,419,473	18,269,776	55,046,008	24,149,697	(36,776,232)
Unrestricted Net Position	38,784,407	49,046,676	54,156,225	(10,262,269)	(5,109,549)
Total Net Position	485,696,166	478,598,318	536,962,146	7,097,848	(58,363,828)
Total Liabilities and Net Position	\$ 596,636,925	\$ 591,544,606	\$ 627,936,196	\$ 5,092,319	\$ (36,391,590)

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The diagram below illustrates the asset, liability and net position balances of HABC, excluding Net Capital Assets and Investments in Capital Assets for the last three fiscal years.

**Assets, Liabilities and Net Position
(Excluding Net Capital Assets and Investment in Capital Assets)
For Fiscal Years 2013, 2014 and 2015**



Analysis of Net Capital Assets (Proprietary Fund Only)

Total Net Capital Assets for the Proprietary Fund for FY 2015 were \$454,415,302 and for FY 2014 \$462,011,073. This represented a decrease of \$7,595,771. Listed below are areas that report major increases or decreases in FY 2015:

- **Land** decreased \$25,868 primarily due to the sale and disposition of 3 Scattered Site units during the fiscal year.
- **Buildings** increased by a net amount of \$28,785,226. During FY 2015, there were increases of \$29,092,314 (\$29,037,866 of completed Construction in Process) for gas lines and gas meter replacements, installation of steam risers, heating system improvements, waterproofing and façade restoration, and exterior masonry repairs. The additions were primarily offset by a decrease in the amount of \$307,088 for the sale and disposition of 3 Scattered Site units.
- **Equipment** increased by a net amount of \$251,556. HABC purchased equipment for \$286,903 including computer software upgrades of tenant management, computer server, networking equipment, and kiosk machines. HABC disposed of equipment totaling \$35,347, which included the disposal of computer equipment, mailroom equipment and heating controls system.
- **Construction in Process** decreased by a net amount of \$5,132,397. Completed construction projects in the amount of \$29,037,866, as discussed above in Buildings were moved from Construction in Process for capitalization in Fixed Assets. An increase of \$23,905,469 was primarily

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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for construction projects that HABC worked on during the fiscal year, including activities for energy conservation measures and improvements (gas lines and replacements and utility separations), 504 accessibility modifications, waterproofing and façade restoration, rehabilitation of scattered site units for compliance with the Bailey consent decree and vacancy reduction at various housing sites.

- **Accumulated Depreciation** increased \$31,474,288. Accumulated depreciation decreased for the capital assets disposed, sold or adjusted during the fiscal year in all capital asset categories and increased for the depreciation expense recognized during the fiscal year.

The table below illustrates the Analysis of Net Capital Assets:

Proprietary Fund Analysis of Net Capital Assets by Fiscal Years

	FY 2015	FY 2014	FY 2013	FY 2015 vs. FY 2014 Net Increase / (Decrease)	FY 2014 vs. FY 2013 Net Increase / (Decrease)
Land	\$ 47,947,485	\$ 47,973,353	\$ 48,314,429	\$ (25,868)	\$ (341,076)
Buildings	1,029,071,228	1,000,286,002	952,411,458	28,785,226	47,874,544
Equipment	10,417,745	10,166,189	10,569,814	251,556	(403,625)
Leasehold Improvements	266,587	266,587	266,587	0	0
Construction in Process	10,744,336	15,876,733	44,435,095	(5,132,397)	(28,558,362)
Total Capital Assets	1,098,447,381	1,074,568,864	1,055,997,383	23,878,517	18,571,481
Accumulated Depreciation	644,032,079	612,557,791	586,773,508	31,474,288	25,784,283
Net Capital Assets	\$ 454,415,302	\$ 462,011,073	\$ 469,223,875	\$ (7,595,771)	\$ (7,212,802)

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Analysis of Entity-Wide Revenues (Statement of Activities)

HABC administers the following programs with their respective revenues during FY 2015:

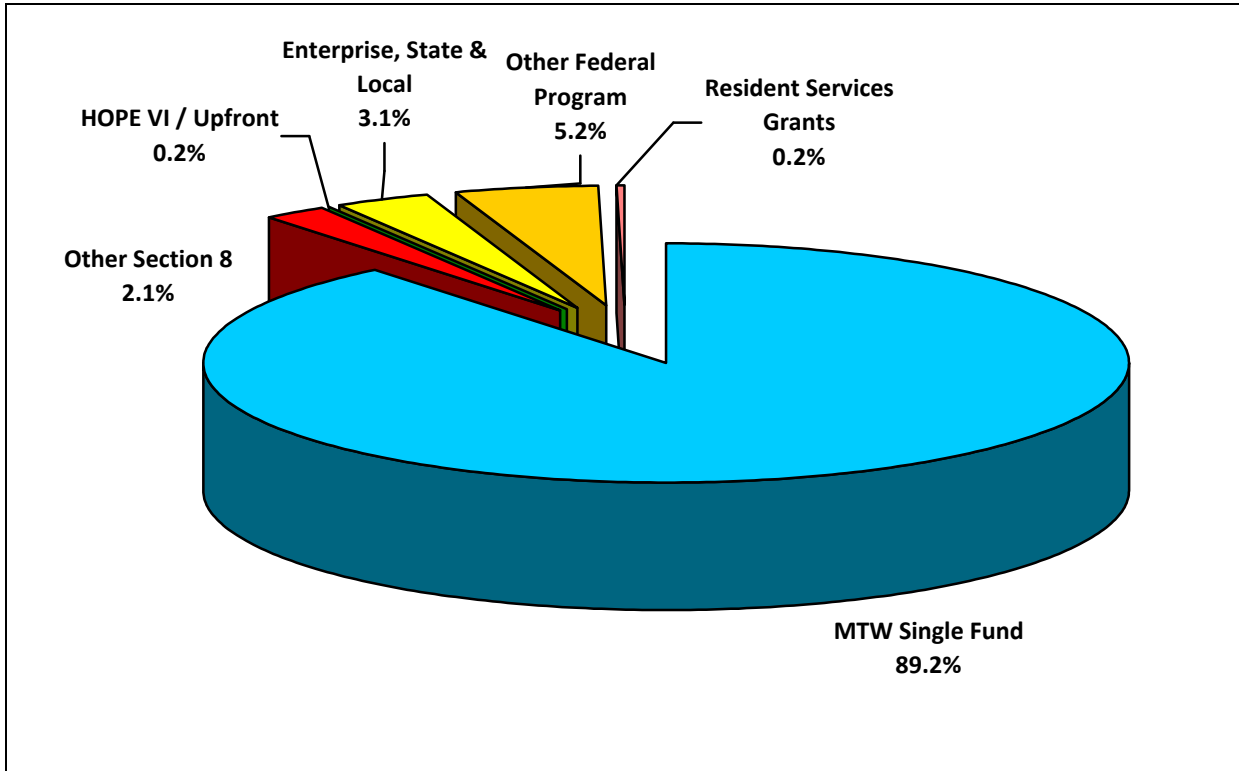
FY 2015 Revenues by Programs (Proprietary Fund Only)

<u>MTW Block Grant Programs</u>		
Low Rent Public Housing		\$119,990,282
Section 8 Housing Choice Voucher Program (HCVP)		206,381,151
Capital Fund Program/Demolition or Disposition Transitional Funding		18,091,497
Total MTW Revenue		\$344,462,930
<u>Non-MTW Programs</u>		
Mod. Rehabilitation	2,096,751	
Sub. Rehabilitation/ New Construction	5,862,190	
HCVP - FSS Coordinator Grant	169,126	
Other Section 8 Programs Total	8,128,067	
Business Activities	4,117,371	
State & Local	7,937,850	
Enterprise, State & Local Total	12,055,221	
Other Federal (Self-Insurance Fund) Total		20,000,000
Youthbuild Grant Program Total		526,472
Hope VI Total		835,126
ROSS Total		390,227
Total Non-MTW Programs Revenue		41,935,113
Total Revenues excluding the Loss on Disposal of Fixed Assets		386,398,043
Loss on disposal of fixed assets		(67,897)
Total Revenues (Agree with Line 700 of the FDS)		\$386,330,146
<i>Per Statements of Revenues, Expenses and Changes in Net Assets for FY 2015:</i>		
Operating revenues		\$373,957,240
Loss on disposal of assets		(67,897)
Interest Income		179,260
City Contributions		0
Capital Contributions		12,261,543
Non-Operating Revenues		\$12,372,906
Total Proprietary Fund Revenues (Agrees with Line 700 of the FDS)		\$386,330,146

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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The diagram below illustrates the percentage of revenues generated from these programs by HABC during FY 2015.

Proprietary Fund Revenue Percentages by Programs



Proprietary Fund operating revenues were \$373,957,240 and non-operating revenues were \$12,372,906 for total revenue in the amount of \$386,330,146 in FY 2015. As compared to total revenues of \$325,584,799 in FY 2014, there was an increase of \$60,745,347. Listed below are areas that report major increases or decreases in FY 2015:

- **Dwelling rental** decreased \$322,759. Occupancy percentages decreased as compared to FY 2014 as part of HABC planned conversion of units to RAD, which will occur in FY 2016. As units became vacant, HABC did not reoccupy the units so that they would be ready for rehabilitation once they are converted to RAD.
- **HUD Subsidies** increased by a net amount of \$33,422,240. Majority of the increased funding was for increased leasing in the HCVP. Public Housing program increased as a result of proration percentages and small inflations factors provided by HUD.
- **Other Grants** decreased \$1,847,502 primarily as a result of decrease in Baltimore City pass-through grant activities, which were reimbursed instantaneously dollar-for-dollar to HABC.

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- **Charges for Services** increased \$22,254,263 primarily for the HUD approved self-insurance reserve funds and recognition of revenue for mixed financing projects, program income receipts and prior year unearned revenue.
- **Investment income** decreased \$57,515 because of the nationally low interest rates.
- **Capital Grants** increased \$6,529,196 primarily due to an increase in the expenditure of prior year HUD funding awards for the Demolition and Disposition Transition (DDT) Funds, previously known as the Replacement Housing Fund Programs. Capital Grants revenues are matched dollar for dollar directly to capital expenditures from HABC's Capital Fund Program, HOPE VI Program and Upfront Grant Program.
- **Gain (Loss) on disposal of assets** had a difference of \$767,424 between FY 2015 and FY 2014. In FY 2015, the Loss on Disposal of Assets was \$67,897 for the disposal and sale of 3 Scattered Site units as compared to \$835,321 for the disposal and sale of 20 Scattered Site units in FY 2014.

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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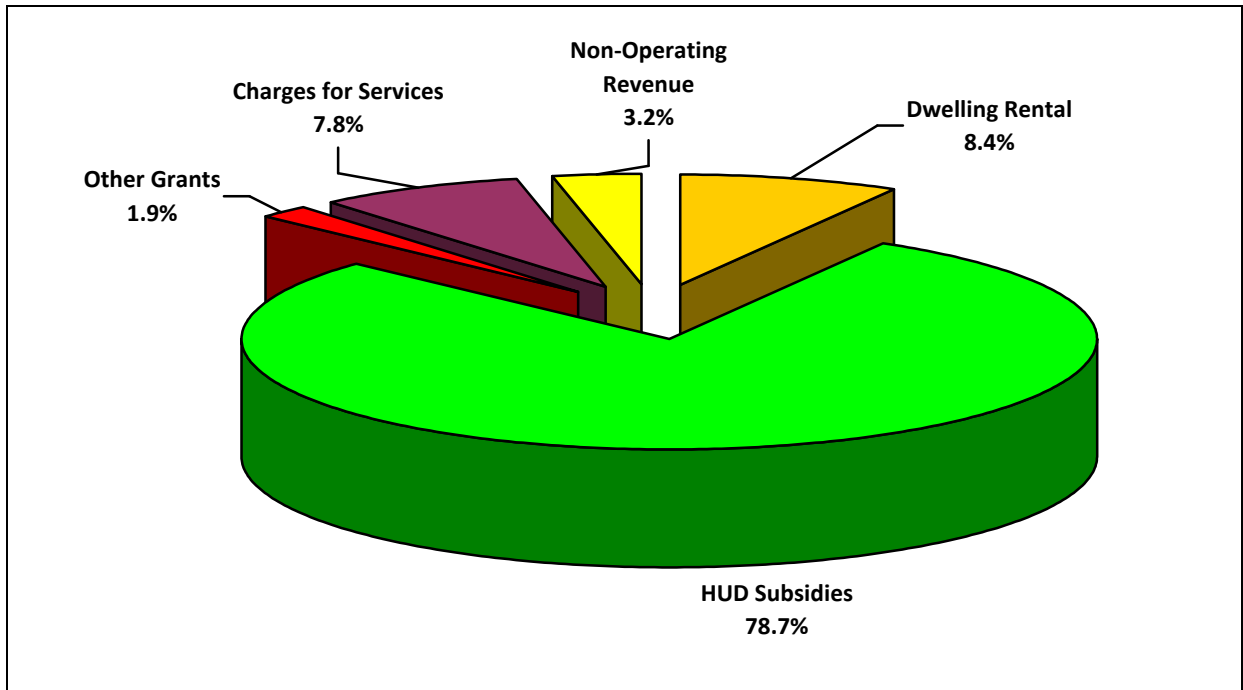
The table below presents an analysis of total revenues by major revenue category:

Proprietary Fund by Major Revenue Category

	FY 2015	FY 2014	FY 2013	FY 2015 vs. FY 2014 Net Increase / (Decrease)	FY 2014 vs. FY 2013 Net Increase / (Decrease)
Dwelling Rental	\$ 32,374,310	\$ 32,697,069	\$ 32,563,409	\$ (322,759)	\$ 133,660
HUD Subsidies	304,018,736	270,596,496	257,643,490	33,422,240	12,953,006
Other Grants	7,402,155	9,249,657	12,386,620	(1,847,502)	(3,136,963)
Charges for Services	30,162,039	7,907,776	7,954,418	22,254,263	(46,642)
Operating Revenue	373,957,240	320,450,998	310,547,937	53,506,242	9,903,061
Investment Income	179,260	236,775	115,342	(57,515)	121,433
Capital Grants	12,261,543	5,732,347	6,185,118	6,529,196	(452,771)
City Contributions	0	0	0	0	0
Gain (loss) on disposal of assets	(67,897)	(835,321)	(106,922)	767,424	(728,399)
Non-Operating Revenue	12,372,906	5,133,801	6,193,538	7,239,105	(1,059,737)
Total Revenue	\$ 386,330,146	\$ 325,584,799	\$ 316,741,475	\$ 60,745,347	\$ 8,843,324

The diagram below illustrates the percentage of revenues generated from each major revenue category during FY 2015:

Proprietary Fund Revenue Percentages by Major Revenue Category



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Analysis of Entity Wide Expenses (Proprietary Fund Only)

HABC administers the following programs and the related expenses during FY 2015:

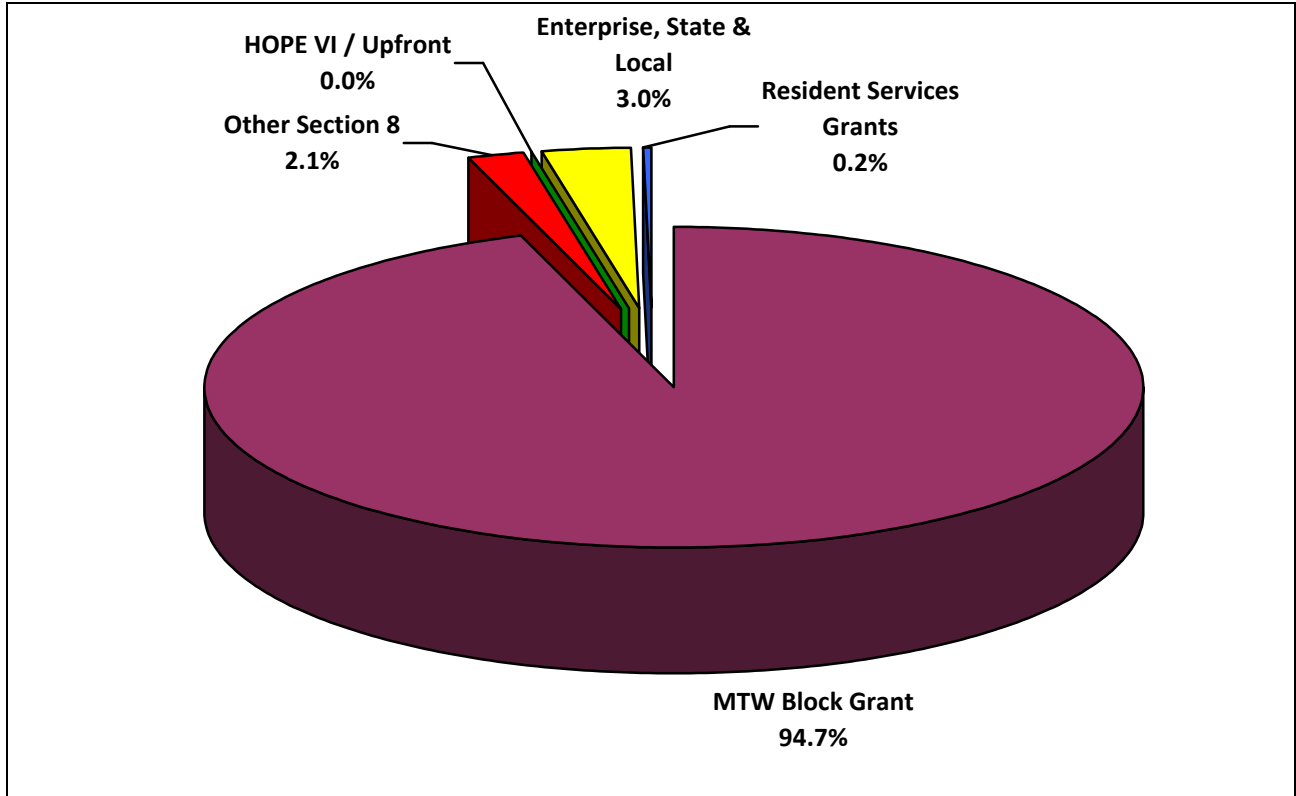
Proprietary Fund FY 2015 Expenses by Programs

		<u>Non-Capital Expenditures</u>	<u>Capital Expenditures</u>	<u>Total Expenditures</u>
MTW Block Grant Programs				
Low Rent Public Housing	\$ 153,842,716			
Section 8 Housing Choice Voucher Program (HCVP)	198,377,344			
Capital Fund / Demolition or Disposition Transitional Funding	<u>6,643,334</u>			
Total MTW Expenses		\$ 358,863,394	\$ 23,646,371	\$ 382,509,765
Non-MTW Programs				
Mod. Rehabilitation	2,046,234			
Sub. Rehabilitation/ New Construction	5,911,344			
HCVP - FSS Coordinator Grant	<u>140,231</u>			
Other Section 8 Programs Total		8,097,809	0	8,097,809
Business Activities	4,513,799			
State & Local	<u>6,841,244</u>			
Enterprise, State & Local Total		11,355,043	600,435	11,955,478
Youthbuild Grant Total		520,699	0	520,699
Hope VI Total		5,126	0	5,126
ROSS Total		<u>390,227</u>	<u>0</u>	<u>390,227</u>
Total Non-MTW Expenses		<u>20,368,904</u>	<u>600,435</u>	<u>20,969,339</u>
Total Proprietary Fund Expenditures		<u>\$ 379,232,298</u>	<u>\$ 24,246,806</u>	<u>\$ 403,479,104</u>
<i>Per Statements of Revenues, Expenses and Changes in Net Assets for FY 2015:</i>				
Operating Expenses		\$ 336,204,571	N/A	N/A
Litigation Settlement	7,100,000			
Depreciation Expense	31,750,527			
Interest Expense	3,208,059			
Extraordinary Maintenance	<u>969,141</u>			
Non-Operating Expenses		<u>43,027,727</u>		
Total Proprietary Fund Expenses (Agrees with Line 90000 of the FDS)		<u>\$ 379,232,298</u>		

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The diagram below illustrates the percentage of expenses administered by HABC during FY 2015:

Proprietary Fund Expenses by Programs in FY 2015



Total Proprietary Fund expenses were \$379,232,298 in FY 2015 and \$383,881,487 in FY 2014. Total expenses decreased \$4,649,189 as discussed below:

- **Administrative** expenses increased \$1,710,318, which was in line with total administrative expenses for fiscal year ending June 30, 2013. Total administrative expenses include office expenses, legal expenses, service contracts, consulting fees, staff training, electronic data processing costs, and salaries and benefits.
- **Tenant Services** decreased \$307,683. Tenant services expenses decreased because of reduced funding for the Section 8 Family Self-Sufficiency (FSS) program and the Maryland Community Development Administration (CDA) Rental Assistance Program.
- **Utilities** increased \$898,190. Utility expenses are affected by seasonal changes from year to year. Water and Gas expenses increased slightly as compared to the prior year.
- **Maintenance** increased \$2,816,932. The primary areas of increases were due to contract costs and materials because of planned maintenance in various housing units.

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- **Housing Assistance Payments (HAP)** increased \$15,345,438 for increased lease-up of units during the fiscal year. Refer to HABC's Annual Plan and Annual Report for additional leasing activities detail.
- **Other Operating Expenses** decreased \$35,888,231. In the prior fiscal year, HABC recognized one-time expenditures for the prepayment of a portion of its Capital Fund Financing Program Bond and funding of the remaining unfunded OPEB liability. HABC's current year expenses included the payoff accrual for the Capital Fund Financing Program Bond in September 2015.

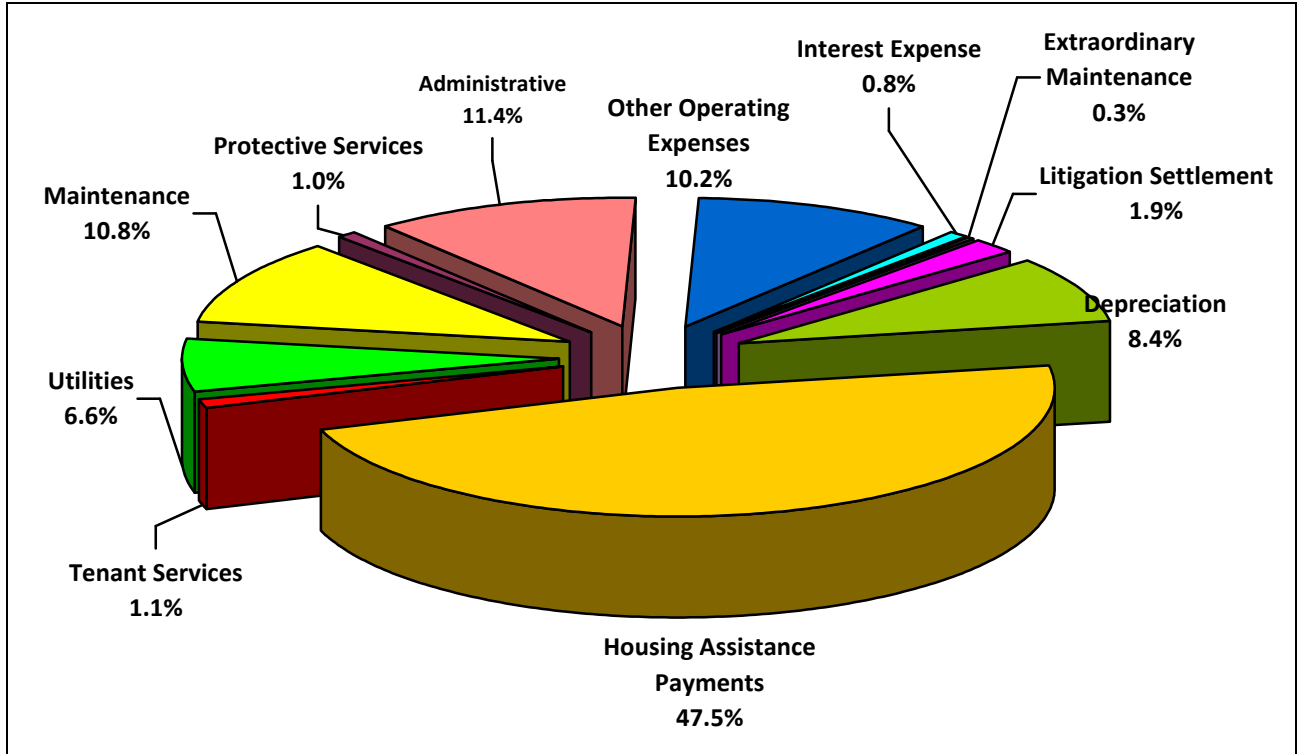
Proprietary Fund Expenses by Category

				FY 2015 vs. FY 2014	FY 2014 vs. FY 2013
	FY 2015	FY 2014	FY 2013	Net Increase / (Decrease)	Net Increase / (Decrease)
Administrative	\$ 43,570,984	\$ 41,860,666	\$ 43,801,718	\$ 1,710,318	\$ (1,941,052)
Tenant Services	4,034,173	4,341,856	4,199,329	(307,683)	142,527
Utilities	25,031,769	24,133,579	21,516,096	898,190	2,617,483
Maintenance	41,000,005	38,183,073	39,249,274	2,816,932	(1,066,201)
Protective Services	3,671,386	3,693,170	3,772,751	(21,784)	(79,581)
Housing Assistance Payments	180,070,821	164,725,383	155,549,899	15,345,438	9,175,484
Other Operating Expenses	<u>38,825,433</u>	<u>74,713,664</u>	<u>28,092,782</u>	<u>(35,888,231)</u>	<u>46,620,882</u>
Expenses before Depreciation	336,204,571	351,651,391	296,181,849	(15,446,820)	55,469,542
Litigation Settlement	7,100,000	-	-	7,100,000	0
Extraordinary Maintenance	969,141	276,391	622,706	692,750	(346,315)
Interest Expense	3,208,059	3,302,024	3,355,560	(93,965)	(53,536)
Depreciation	<u>31,750,527</u>	<u>28,651,681</u>	<u>27,444,760</u>	<u>3,098,846</u>	<u>1,206,921</u>
Total Expenses	<u>\$ 379,232,298</u>	<u>\$ 383,881,487</u>	<u>\$ 327,604,875</u>	<u>\$ (4,649,189)</u>	<u>\$ 56,276,612</u>

**HOUSING AUTHORITY OF BALTIMORE CITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ending June 30, 2015**

The diagram below illustrates HABC's Proprietary Fund expenses by major category during FY 2015:

Proprietary Fund Expenses by Category in FY 2015



Future Events

Future events that may affect HABC's financial statements are discussed under "Subsequent Events", Footnote 18 of the Financial Statements.

HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 39,175,539	\$ 97,771,713
Restricted cash	32,958,433	10,337,810
Accounts receivable, net	1,423,284	1,392,028
Due from governments, net	2,637,888	2,676,339
Unrestricted investments	47,407,608	-
Restricted investments	4,121,867	4,536,192
Due from component unit	42,356	163,823
Due from fiduciary fund	-	634,237
Other assets	<u>3,745,416</u>	<u>3,159,670</u>
Total current assets	<u>131,512,391</u>	<u>120,671,812</u>
NONCURRENT ASSETS		
Notes receivable, net of allowance	4,067,879	3,496,817
Capital assets, net	454,415,302	462,011,073
Investments in joint ventures	<u>6,641,353</u>	<u>5,364,904</u>
Total noncurrent assets	<u>465,124,534</u>	<u>470,872,794</u>
TOTAL ASSETS	<u>\$ 596,636,925</u>	<u>\$ 591,544,606</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 7,701,417	\$ 3,092,142
Accrued liabilities	34,220,737	44,656,166
Accrued compensated absences	2,053,476	1,540,182
Due to other governmental agencies	1,839,658	2,027,875
Unearned revenue	660,370	1,099,826
Notes and capital lease payable	177,940	170,895
Bonds payable	<u>1,510,000</u>	<u>1,290,000</u>
Total current liabilities	<u>48,163,598</u>	<u>53,877,086</u>
NONCURRENT LIABILITIES		
Notes and capital lease payable, less current portion	3,759,185	3,673,891
Bonds payable, less current portion	47,985,000	49,495,000
Accrued compensated absences, less current portion	4,991,495	5,900,311
Other noncurrent liability	<u>3,394,164</u>	<u>-</u>
Total noncurrent liabilities	<u>60,129,844</u>	<u>59,069,202</u>
TOTAL LIABILITES	<u>108,293,442</u>	<u>112,946,288</u>
DEFERRED INFLOW OF RESOURCES		
Pension forfeitures	<u>2,647,317</u>	<u>-</u>
TOTAL DEFERRED INFLOW OF RESOURCES	<u>2,647,317</u>	<u>-</u>
NET POSITION		
Invested in capital assets	404,492,286	411,281,866
Restricted net position	42,419,473	18,269,776
Unrestricted net position	<u>38,784,407</u>	<u>49,046,676</u>
Total net position	<u>485,696,166</u>	<u>478,598,318</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 596,636,925</u>	<u>\$ 591,544,606</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Rent	\$ 32,374,310	\$ 32,697,069
Direct HUD subsidies	304,018,736	270,596,496
Charges for services	30,162,039	7,907,776
Other governmental grants	<u>7,402,155</u>	<u>9,249,657</u>
Total operating revenue	<u>373,957,240</u>	<u>320,450,998</u>
OPERATING EXPENSES		
Administration and general	79,563,360	112,955,527
Housing operations and tenant services	73,737,333	70,351,678
Housing assistance payments	180,070,821	164,725,383
Bad debt expense	<u>2,833,057</u>	<u>3,618,803</u>
Total operating expenses	<u>336,204,571</u>	<u>351,651,391</u>
Operating income (loss) before depreciation	37,752,669	(31,200,393)
Depreciation	<u>31,750,527</u>	<u>28,651,681</u>
Total operating income (loss)	6,002,142	(59,852,074)
NON-OPERATING REVENUES (EXPENSES)		
Settlement of litigation	(7,100,000)	-
Loss on disposal of assets	(67,897)	(835,321)
Operating transfers from (to) affiliated entities	-	(67,140)
Interest income	179,260	236,775
Interest expense	(3,208,059)	(3,302,024)
Extraordinary maintenance	<u>(969,141)</u>	<u>(276,391)</u>
Total non-operating revenues (expenses)	<u>(11,165,837)</u>	<u>(4,244,101)</u>
Loss before capital contributions	<u>(5,163,695)</u>	<u>(64,096,175)</u>
HUD capital grants	12,261,543	5,732,347
Change in net position	<u>7,097,848</u>	<u>(58,363,828)</u>
Net position, beginning of year	<u>478,598,318</u>	<u>536,962,146</u>
Net position, end of year	<u>\$ 485,696,166</u>	<u>\$ 478,598,318</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENTS OF CASH FLOWS
PROPRIETARY FUND
Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Rental receipts	\$ 31,903,598	\$ 30,715,196
Direct HUD subsidies	303,868,970	273,742,576
Charges for services	30,162,039	7,907,776
Other governmental grants	7,402,155	9,249,657
Administration and general	(86,374,065)	(90,159,181)
Housing operations and tenant services	(74,706,474)	(70,628,069)
Housing assistance payments	(180,070,821)	(164,725,383)
Net cash flows provided by operating activities	<u>32,185,402</u>	<u>(3,897,428)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES		
Expenditures for capital assets, net	(24,246,806)	(11,970,203)
Disposition of capital assets	66,193	886,109
Loss on sale of assets	(67,897)	(835,321)
Payment on notes payable	(20,795)	(19,854)
Payment on bonds payable	(1,290,000)	(1,115,000)
Increase in line of credit	262,500	193,315
Interest expense	(3,208,059)	(3,302,024)
Payment on capital lease payable	(158,366)	(143,607)
Capital contribution from HUD	12,261,543	5,732,347
Net cash flows provided by capital and related financing activities	<u>(28,663,230)</u>	<u>(10,574,238)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to affiliated entities	<u>-</u>	<u>(67,140)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease in investments	(1,276,449)	19,964
Purchase of investments	(36,034,885)	-
Interest income	179,260	236,775
Disbursement of notes receivable	(1,381,247)	(1,758,125)
Accrued interest on notes receivable	(1,086,943)	(875,546)
Receipts on notes receivable	102,541	650,000
Net cash flows provided (used) by investing activities	<u>(39,497,723)</u>	<u>(1,726,932)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(35,975,551)	(16,265,738)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>108,109,523</u>	<u>124,375,261</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 72,133,972</u>	<u>\$ 108,109,523</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating income (loss)	\$ 6,002,142	\$ (59,852,074)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:		
Depreciation	31,750,527	28,651,681
Bad debt expense	2,833,057	3,618,803
Extraordinary maintenance	(969,141)	(276,391)
Effects of changes in operating assets and liabilities, net of business combination and noncash items:		
Accounts receivable, net	(31,256)	(2,085,146)
Due to/from other government agencies, net	149,766	3,146,080
Other assets	(585,747)	(19,830)
Accounts payable	4,609,275	(1,864,651)
Accrued liabilities	(11,889,470)	24,677,165
Due from component unit	121,468	(51,242)
Due from fiduciary fund	634,237	54,904
Unearned revenue	(439,456)	103,273
Net cash used in operating activities	<u>\$ 32,185,402</u>	<u>\$ (3,897,428)</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENTS OF FINANCIAL POSITION
RESIDENT SERVICES INC - DISCRETELY PRESENTED COMPONENT UNIT
June 30, 2015 and 2014

ASSETS

	<u>2015</u>	<u>2014</u>
Cash and cash equivalents	\$ 476,732	\$ 491,665
Accounts receivable - other	<u>10,757</u>	<u>123,164</u>
 Total Assets	 <u>\$ 487,489</u>	 <u>\$ 614,829</u>

LIABILITIES AND NET ASSETS

Due to HABC, net	\$ 42,356	\$ 163,823
Accrued liabilities	47,442	35,894
Deferred Revenue	<u>54,401</u>	<u>-</u>
 Total liabilities	 <u>144,199</u>	 <u>199,717</u>
 Net Assets, unrestricted	 <u>343,290</u>	 <u>415,112</u>
 Total liabilities and net assets	 <u>\$ 487,489</u>	 <u>\$ 614,829</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENTS OF ACTIVITIES
RESIDENT SERVICES INC - DISCRETELY PRESENTED COMPONENT UNIT
Years ended June 30, 2015 and 2014

	2015	2014
	<u>Unrestricted</u>	<u>Unrestricted</u>
Revenues, gains and other support		
Grants and contracts	\$ 1,222,719	\$ 1,420,949
Contributions	30,258	81,866
Contributed services	41,540	34,600
Interest and dividend income	<u>1,709</u>	<u>547</u>
Total revenues, gains and other support	<u>1,296,226</u>	<u>1,537,962</u>
Expenses		
Personnel expense	1,120,941	991,325
Administrative expense	46,171	44,733
Insurance expense	4,311	3,949
Other expense	<u>196,625</u>	<u>203,176</u>
Total operating expenses	<u>1,368,048</u>	<u>1,243,183</u>
Change in net assets	(71,822)	294,779
Net assets, beginning of year	<u>415,112</u>	<u>120,333</u>
Net assets, end of year	<u>\$ 343,290</u>	<u>\$ 415,112</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENTS OF CASH FLOWS
RESIDENT SERVICES INC - DISCRETELY PRESENTED COMPONENT UNIT
Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ (71,822)	\$ 294,779
Changes in operating assets and liabilities:		
Accounts receivable	112,407	(99,282)
Due to HABC	(121,467)	51,242
Accrued liabilities	11,548	1,535
Unearned revenue	<u>54,401</u>	<u>-</u>
Net cash (used) provided by operating activities	<u>(14,933)</u>	<u>248,274</u>
Net increase in cash and cash equivalents	(14,933)	248,274
Cash and cash equivalents, beginning of year	<u>491,665</u>	<u>243,391</u>
Cash and cash equivalents, end of year	<u>\$ 476,732</u>	<u>\$ 491,665</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENTS OF FIDUCIARY NET POSITION
June 30, 2015 and 2014

	OPEB TRUST		EMPLOYEE RETIREMENT PLAN	
ASSETS	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash and deposits	\$ 24,050,436	\$ 2,122,649	\$ -	\$ 310,145
Accounts receivable	22,096	89,349	-	-
Investments	20,000,000	32,017,426	47,929,513	61,718,920
Accrued interest receivable	<u>13,165</u>	<u>18,955</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 44,085,697</u>	<u>\$ 34,248,379</u>	<u>\$ 47,929,513</u>	<u>\$ 62,029,065</u>
LIABILITIES AND NET ASSETS				
LIABILITIES - Due to proprietary fund	\$ -	\$ 634,237	\$ -	\$ -
NET POSITION HELD IN TRUST	<u>44,085,697</u>	<u>33,614,142</u>	<u>47,929,513</u>	<u>62,029,065</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 44,085,697</u>	<u>\$ 34,248,379</u>	<u>\$ 47,929,513</u>	<u>\$ 62,029,065</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF BALTIMORE CITY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Years ended June 30, 2015 and 2014

	OPEB TRUST		EMPLOYEE RETIREMENT PLAN	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
ADDITIONS				
Contributions:				
Employer	\$ 12,279,694	\$ 1,679,000	\$ 2,184,973	\$ 2,353,399
Plan members	<u>-</u>	<u>-</u>	<u>195,231</u>	<u>215,203</u>
Total contributions	<u>12,279,694</u>	<u>1,679,000</u>	<u>2,380,204</u>	<u>2,568,602</u>
Investment earnings:				
Interest and dividends, less				
Investment expense	<u>256,872</u>	<u>240,595</u>	<u>1,571,942</u>	<u>3,380,781</u>
Net investment earnings	<u>256,872</u>	<u>240,595</u>	<u>1,571,942</u>	<u>3,380,781</u>
Total additions	<u>12,536,566</u>	<u>1,919,595</u>	<u>3,952,146</u>	<u>5,949,383</u>
DEDUCTIONS				
Benefit payments	-	-	18,051,698	4,772,008
Premiums paid to insurance companies	<u>2,065,011</u>	<u>1,818,824</u>	<u>-</u>	<u>-</u>
Total deductions	<u>2,065,011</u>	<u>1,818,824</u>	<u>18,051,698</u>	<u>4,772,008</u>
CHANGE IN NET POSITION	10,471,555	100,771	(14,099,552)	1,177,375
TOTAL NET POSITION, BEGINNING OF YEAR	<u>33,614,142</u>	<u>33,513,371</u>	<u>62,029,065</u>	<u>60,851,690</u>
TOTAL NET POSITION, END OF YEAR	<u>\$ 44,085,697</u>	<u>\$ 33,614,142</u>	<u>\$ 47,929,513</u>	<u>\$ 62,029,065</u>

The accompanying notes are an integral part of these financial statements.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Housing Authority of Baltimore City (HABC or the Authority) have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to local governmental units. The more significant accounting policies of HABC are described below.

Reporting Entity

HABC is a governmental, public corporation created in 1937 under Federal and State housing laws. HABC develops, maintains and manages low-rent housing and administers Housing Assistance Payments Programs (Section 8) for low-income citizens including handicapped and elderly residents of Baltimore City (the City). These activities are subsidized by the U.S. Department of Housing and Urban Development (HUD) and other grantors. In addition, HABC performs a variety of related functions, including social services for public housing residents, and emergency housing repairs. These functions are funded through grants and contracts.

A Commission of five citizens, appointed to staggered terms by the Mayor of Baltimore City, establishes HABC's operating policies, which are implemented under the direction of an Executive Director appointed by the Commission. The Executive Director is also traditionally the Commissioner of the City of Baltimore Department of Housing and Community Development. Both agencies coordinate on issues dealing with housing and community development. HABC is not a component unit of the City of Baltimore.

On December 24, 2008, HUD executed a Moving to Work (MTW) Agreement with HABC with the term ending June 30, 2018. HABC has been a MTW agency since 2005. MTW is a national demonstration program established by Congress that allows Public Housing Agencies to develop and implement innovative and flexible solutions to local housing needs. HABC is one of thirty-nine Agencies nationwide to be given broad latitude to establish locally determined policies and procedures outside of the HUD regulatory framework.

The accompanying basic financial statements include the accounts of all Authority operations, and its blended component unit, HABC Montpelier Housing Corporation. The Corporation is included in the reporting entity because HABC has a 100% ownership interest in the Corporation. HABC is the lowest level of government over which HABC's Commission and Executive Director exercise oversight responsibility. These statements do not include any City agencies and HABC is not a component unit of the City under the definition of GASB 61.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Resident Services, Incorporated (RSI) was organized as a nonprofit corporation separate from HABC to sponsor and implement social service, employment and training programs/initiatives, community service projects, and charitable work that promotes health and self-sufficiency among, and improves the quality of life for, public housing and other low-income residents in Baltimore City. RSI is deemed a discretely presented component unit in accordance with the requirements of GASB 61.

Basis of Presentation

The basic financial statements (i.e. the statements of net position, the statements of revenues, expenses, and changes in net position, and the statements of cash flows for the proprietary fund) report information on all of the activities of HABC except for its discretely presented component unit and fiduciary activities. Separate fund financial statements are provided for the component unit and fiduciary funds.

As a result of mixed financing transactions related to the HOPE VI programs and other development funding sources, HABC created the following development entities: HABC Ambrose Housing Corporation, HABC Broadway Housing Corporation, HABC Flag Housing Corporation, HABC Flag II Housing Corporation, HABC Hillside Housing Corporation, HABC Lexington Terraces Housing Corporation, HABC Montpelier Housing Corporation, HABC Mt. Pleasant Housing Corporation, HABC Murphy/Julian Housing Corporation, HABC Westover Housing Corporation, HABC Reservoir Hill Housing Corporation, HABC Orchard Ridge Rental I Housing Corporation, HABC Orchard Ridge Rental 2 Housing Corporation, HABC Sharp-Leadenhall Housing Corporation, and HABC Barclay Rental I Housing Corporation. See Note 13 - Affiliated Entities for additional details. The results of operations of these entities are included within HABC's operations, only to the extent of HABC's ownership interest.

Description of Funds

A Fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of its assets, deferred outflow of resources, liabilities, deferred inflow of resources, net position, revenues, and expenses. The funds maintained by HABC allow compliance and financial accountability by separate functions and activities.

HABC's operating activities are maintained in accordance with the principles of enterprise fund accounting to ensure the observance of limitations and restrictions on the resources available. GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, was issued to incorporate GASB and AICPA guidance into GASB authoritative literature. HABC has elected not to follow any FASB guidance not included in GASB 62.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Description of Funds (continued)

HABC reports a fiduciary fund which includes the other post-employment benefits (OPEB) trust fund and the Employee Retirement Plan. The OPEB trust fund and Employee Retirement Plan account for the assets held in trust by HABC for the beneficiaries of the plans.

HUD requires all Public Housing Agencies meeting certain criteria to account for financial activity by projects referred to as the asset management projects (AMPs) since fiscal year 2008. HABC is required to report financial activity by AMPs as well as by fund through HUD's on-line reporting system.

Basis of Accounting and Measurement Focus

The basis of accounting for the funds used by HABC is determined by measurement focus. The flow of economic resources measurement focus and the accrual basis of accounting are used to account for HABC's funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. All assets and liabilities associated with the operation of these funds are included on the Statements of Net Position.

Net position in enterprise fund financial statements is classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, granters, or laws and regulations of other governments. HABC's restricted net position consists of escrows held for debt service, investment in joint ventures, program income, reserve accounts, and excess housing assistance payments.

Separate statements are also included for the discretely presented component unit and the fiduciary funds as shown in the table of contents. The discretely presented component unit (RSI) and the fiduciary funds (OPEB Trust and Employee Retirement Plan) are separate legal entities from HABC.

Budget

Under the terms of the MTW Agreement, HABC is required to submit to HUD an Annual Plan summarizing planned activities and budgets for sources and uses of funds. HABC's Board of Commissioners formally adopts the MTW Annual Plan that includes all program budgets on a basis consistent with accounting principles generally accepted in the United States of America. The Executive Director has the authority to transfer budget authorizations among categories.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses in the financial statements and in the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

Cash and Cash Equivalents

For Statements of Cash Flows reporting purposes, cash and cash equivalents include cash on hand, demand deposits, equity in highly liquid cash and investments, certificates of deposit, and repurchase agreements with initial maturities of three months or less.

Investments

Statutes authorize HABC to invest in obligations of the U.S. Treasury, repurchase agreements, certificates of deposit and certain other investments allowed by HUD. These investments are carried at fair market value.

Accounts Receivable

Accounts receivable consists of payments due from HUD and related affiliates, rent payments from tenants and other miscellaneous receivables arising from the normal course of operations. A reserve for uncollectible accounts is established based on management's estimates.

Notes Receivable

A significant portion of notes receivables represent loans to related party Owner-Entities and developers for Development Projects. HABC subordinated these loans in conjunction with financing arrangements related to the development of mixed-income, multi-family rental communities. Such loans are interest-bearing and are payable from cash flow from the property owned by each respective Project. Such loans are typically funded from CBDG Development, HOPE VI, and Capital Fund grants, representing a significant portion of the construction costs associated with the HABC assisted component of the mixed-income rental property. Interest and principal on these loans are subordinated and are contingent on cash flow from the property; however, interest income is accrued as it occurs. Based on the status of the previous mixed-financing projects and the contingent nature of the payments, management elected to establish an allowance which represents the full value of the notes except for \$4,067,879 which HABC intends to collect.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Notes Receivable (continued)

The agreements between HABC and the respective affiliated entities state that HABC will collect on the receivables if the affiliated entities have positive cash flows. Since these affiliated entities depend on HABC to subsidize their operations through operating subsidies, management believes that positive cash flows for these entities in the future are remote and therefore, collections on these notes receivable are doubtful.

Capital Assets

Capital assets include property held for and under development, operating properties, and fixed assets used in operations that cost \$5,000 or more and have an estimated useful life of at least one year. Donated capital assets are recorded at the estimated fair market value on the date received.

HABC capitalizes costs associated with properties held for and under development, including interest costs during the construction period. The carrying amount of such properties does not exceed the estimated net realizable value.

Capital assets are stated at cost, less accumulated depreciation. Depreciation is computed under the straight-line method over the following estimated useful lives:

Structures and improvements	15-25 years
Equipment	5-7 years

Proceeds from the disposal of capital assets are recognized in the period received. Proceeds from the sale of property acquired or significantly improved with HUD or State funds are refunded to HUD or the State as required by contract, or retained and used for special purposes as approved by HUD.

Compensated Absences

The total accumulated universal leave (incorporating vacation and sick) is accrued in the period earned as this cost is to be funded with current resources. Employees earn universal leave at rates ranging from 24 days per year for the first six years of service up to a maximum of 36 days per year after 19 years of service. The maximum universal leave accrual is 200 days. Upon termination, employees are paid for any accumulated universal leave.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position

Net position is displayed in three components:

Net Investment in Capital Assets: This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. HABC has unspent bond proceeds (see Note 9) restricted for capital improvement purposes in accordance with an energy conservation lease. As these bond proceeds directly relate to the capital assets and bonds payable, they are included in this category to properly match the assets with related debt.

Restricted Net Position: This component of net position consists of restricted resources when constraints are placed on the resource by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc. This also includes investments in joint ventures.

Unrestricted Net Position: This component of net position consists of resources that do not meet the definition of "Net Investment in Capital Assets" or "Restricted Net Position."

Certain assets including cash and investments may be classified in restricted net position on the Statements of Net Position because their use is restricted for specific purposes. It is HABC's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Taxes

Under Federal, State and City laws, HABC is exempt from income, property and excise taxes. Housing authorities are, however, required to make payments in lieu of taxes (PILOT) in accordance with the provisions of their Cooperation Agreement with local taxing authorities. Under its Cooperation Agreement with the City, HABC must pay the City the lesser of 10 percent of its net shelter rent or the approximate full real property taxes. Net shelter rent is defined as the excess of rental income over total utilities expense, net of energy performance contract (EPC) debt service. During fiscal years 2015 and 2014, PILOT amounts were \$328,449 (receivable \$394,073/payable \$722,522) and \$453,986 (receivable \$362,535/payable \$816,521), respectively.

Grants

HABC receives reimbursement from various grantors for the cost of sponsored projects, including administrative costs. Grant revenues are recognized in the period in which the associated costs are incurred.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Contributions

Capital contributions are grants awarded by HUD under various capital development and improvement programs including HOPE VI, Capital Fund Programs, Demolition or Disposition Transitional Funding (or formerly known as Replacement Housing Factor Fund), and Up-Front Grant. Grant expenditures under these programs are based on actual capital project costs incurred. Interest incurred during the construction phase is included as part of the capitalized amount of construction in progress or capitalized costs.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform with the current year presentation. The reclassifications had no effect on net position or changes thereon.

New Accounting Pronouncements

GASB Statement No. 68, Accounting and Financial Reporting for Pensions

The objective of this Statement is to improve financial reporting by state and local governmental pension plans. HABC maintains a single-employer pension plan. The financial activity of the plan as of June 30, 2015 has been included in the fiduciary fund of HABC and resulted in the recognition of Deferred Inflow of Resources in the Proprietary Fund of \$2,647,317.

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

At year-end, the aggregate carrying amount of HABC's deposits (Proprietary Fund) were \$72,133,972 and \$108,109,523 as of June 30, 2015 and 2014, respectively. The bank balance was \$72,588,712 and \$112,381,372 in 2015 and 2014, respectively. The aggregate carrying amount of deposits for the Fiduciary Fund (OPEB Trust and Employee Retirement Plan) was \$24,050,436 and \$2,432,794 at June 30, 2015 and 2014 respectively. All deposits with financial institutions are held by regularly organized state or national banks insured by the FDIC which are required to hold government security collateral in HABC's name for any amount in excess of federal deposit insurance limits. There was no exposure to custodial credit risk at June 30, 2015.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Deposits (continued)

Deposits for RSI are maintained in separate bank accounts under a tax ID number different than that of HABC. These accounts only hold deposits of RSI funds. The aggregate carrying balance of RSI's deposits was \$476,732 and \$491,665 as of June 30, 2015 and 2014, respectively. The bank balance was \$467,664 and \$493,948 in 2015 and 2014, respectively. All deposits with financial institutions are held by regularly organized state or national banks insured by the FDIC. There was no exposure to custodial credit risk at June 30, 2015.

Investments

Proprietary fund investments are in money market accounts, certificates of deposit or U.S. agency securities, which have a maturity of one year or more. The fair market values of those investments were \$51,529,475 and \$4,536,192 as of June 30, 2015 and 2014 respectively, of which \$229,030 and \$883,000 respectively is related to the energy performance contract.

These investments are included in unrestricted and restricted investments on the Statements of Net Position as applicable.

At June 30, 2015 and June 30, 2014, Fiduciary Fund (OPEB Trust and Employee Retirement Plan) investments of \$67,929,513 and \$93,736,346 respectively were in U.S. Agency Securities and certificates of deposit which have a maturity of less than one year.

Investment Rate Risk

Fair value fluctuates with interest rates, and increasing interest rates could cause fair value to decline below original cost. To limit HABC's exposure to fair value losses arising from increasing interest rates, HABC's investment policy limits the term of investment maturities to remain sufficiently liquid to enable HABC to meet all operating requirements which might be reasonably anticipated. HABC's management believes the liquidity in the portfolio is adequate to meet cash flow requirements and to preclude HABC from having to sell investments below original cost for that purpose. The investments at June 30, 2015 met HABC's investment policy as of that date.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

Investments (continued)

Credit Risk/Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The investment policy of HABC follows the investment guidelines published by HUD in Financial Management Handbook 7475.1REV. These guidelines permit investments in the following types of investments: direct U.S. obligations, U.S. agency obligations, and money market mutual funds. HABC follows federal rules and regulations on concentration of credit risk.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, HABC will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party as of June 30, 2015. HABC has adopted investment guidelines to permit investments which are backed by the full faith and credit of the U.S. Government, a U.S. Government Agency, or those issued by a Government sponsored agency.

Restricted cash is restricted for various HUD programs and for application of available funds to projects allowed under the MTW Agreement.

3. ACCOUNTS RECEIVABLE

Accounts receivable consists of rent payments due from tenants and other miscellaneous receivables arising from the normal course of operations. The gross balance for accounts receivable was \$2,151,156 and \$2,060,868 as of June 30, 2015 and 2014, respectively. A reserve for uncollectible accounts has been established based on management's estimates. The balance for the reserve for uncollectible accounts was \$727,872 and \$668,840 as of June 30, 2015 and 2014, respectively.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

4. DUE FROM/TO GOVERNMENTAL AGENCIES

The amounts due from/to other government agencies as of June 30 are listed in the tables below:

Government Agency	As of June 30, 2015		
	Due From	Due To	Net Amount Due From (Due to)
U.S. Department of Housing and Urban Development*	\$ 2,243,816	\$ 403,441	\$ 1,840,375
City of Baltimore**	<u>394,072</u>	<u>1,436,217</u>	<u>(1,042,145)</u>
Total	<u>\$ 2,637,888</u>	<u>\$ 1,839,658</u>	<u>\$ 798,230</u>

Government Agency	As of June 30, 2014		
	Due From	Due To	Net Amount Due From (Due to)
U.S. Department of Housing and Urban Development*	\$ 2,286,169	\$ 343,408	\$ 1,942,761
City of Baltimore**	361,189	1,684,467	(1,323,278)
State of Maryland***	<u>28,981</u>	<u>-</u>	<u>28,981</u>
Total	<u>\$ 2,676,339</u>	<u>\$ 2,027,875</u>	<u>\$ 648,464</u>

* Expenses from CFP, HOPE VI, Section 8, ROSS, and Youth Build Grants

** Payments in Lieu of Taxes and an amount advanced by the City of Baltimore for inter-government activities

*** Grant Funding

Management has evaluated all amounts due from other government agencies and determined that no reserve for doubtful accounts is necessary.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

5. NOTES RECEIVABLE

As part of the financing arrangements under the HOPE VI revitalization grants, HABC issues notes receivable to developers of the projects. Sources of funds for these loans are various HOPE VI grants and the Fairfield reformulation grants from HUD. The loans are established for a HUD approved amount and funds are drawn by the developer as approved. The terms of these notes receivable vary with interest generally at 0.25% - 1.0% with repayment due 40 years from the date of the agreement, unless there is a default, at which time payment is due on demand. Some of the loan terms have interest rates based on the federal rates at the time disbursements are made to the borrower.

HABC also issues second mortgage loans under the HOPE VI program for individuals and/or families. Sources of funding for these mortgages are various HOPE VI grants. These mortgages assist individuals in purchasing homes within the City. The mortgages require repayment in full if the borrower does not live in the residence for a minimum of ten years, or at the time of sale/lease/default by the borrower. Most of the mortgages allow a reduction of up to \$20,000 of the total mortgage on a prorated basis starting in year six of the mortgage. Interest rates for the mortgages are 0% unless default occurs, at which time the rate increases to 6%.

HABC entered into a reserve pledge agreement in 1998 with the Lexington Terrace Limited Partnership to benefit the Townes at the Terraces project, a low income housing project. The terms of the agreement set aside funds from the development fee payable to HABC under the Public and Indian Housing program. The funds are maintained in an interest-bearing reserve account. The partnership may request funds from the account if they experience an operating deficit during the project. Any funds remaining in the account at the end of the project period will be returned to HABC.

Based on the status of the previous mixed-financing projects and the contingent nature of the payments, management elected to establish an allowance for the full value of the notes except the ones for which HABC deems to be collectible. The agreements between HABC and the respective affiliated entities state that HABC will collect on the receivables if the affiliated entities have positive cash flows. Since these affiliated entities depend on HABC to subsidize their operations through operating subsidies, management believes that positive cash flow for these entities in the future are remote and therefore, collections on these notes receivable are doubtful.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

5. NOTES RECEIVABLE (continued)

HABC has the following notes receivable outstanding as of June 30, 2015:

Description	Amount
Broadway Overlook, Broadway II Limited Partnership, developer, originated in 2003	\$ 14,912,798
The Townes at the Terraces Project, Lexington Terrace Townhouses Limited Partnership, Lexington Terraces Senior Housing Limited Partnership, developer, both originated in 1998	14,711,648
Flag House Courts Project, Flaghouse Rental Phases I and II, developer, originated in 2002 and 2005	9,440,682
Telesis Barclay	9,135,223
Reservoir Hill Housing, LLC, developer, originated in 2005	4,707,356
Orchard Ridge Rental I	4,438,400
Multiple Home ownership loans, originated in 2003	3,928,467
Heritage Crossing, Heritage Crossing Limited Partnership, developer, originated in 2001	3,154,483
Sharp-Leadenhall	2,558,020
Milltowne Association	1,818,426
Special Mobility Programs	1,410,000
LRG, LLC, developer, originated in 2003	1,132,436
Barclay Square LP	775,269
Orchard Ridge Rental II	679,635
Ashburton Apartments	420,000
Lexington Terrace Townhouses LP, developer, originated 1998, LRPB portion	387,563
Orchard Bridge Loan	367,473
Clarksview Apartments	240,000
Freedom Village	222,873
O'Donnell Heights Association	200,676
4300 Liberty LLC	170,523
Baltimore Community Development Corporation, LLC	150,000
241 W. Chase St.	<u>30,048</u>
Total notes receivable	74,991,999
Less: allowance	<u>(70,924,120)</u>
Net notes receivable	<u>\$ 4,067,879</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

5. NOTES RECEIVABLE (continued)

HABC has the following notes receivable outstanding as of June 30, 2014:

Description	Amount
The Townes at the Terraces Project, Lexington Terrace Townhouses Limited Partnership, Lexington Terraces Senior Housing Limited Partnership, developer, both originated in 1998	\$ 14,668,611
Broadway Overlook, Broadway II Limited Partnership, developer, originated in 2003	14,404,787
Flag House Courts Project, Flaghouse Rental Phases I and II, developer, originated in 2002 and 2005	9,189,964
Telesis Barclay	9,141,502
Reservoir Hill Housing, LLC, developer, originated in 2005	4,607,334
Orchard Ridge Rental I	4,429,992
Multiple Home ownership loans, originated in 2003	4,024,729
Heritage Crossing, Heritage Crossing Limited Partnership, developer, originated in 2001	3,146,798
Sharp-Leadenhall	2,438,565
Milltowne Association	1,772,994
LRG, LLC, developer, originated in 2003	1,132,436
Barclay Square LP	772,031
Orchard Ridge Rental II	679,635
Special Mobility Programs	580,000
Ashburton Apartments	420,000
Lexington Terrace Townhouses LP, developer, originated 1998, LRPB portion	386,626
Orchard Bridge Loan	367,473
Clarksview Apartments	240,000
Freedom Village	222,873
Total notes receivable	72,626,350
Less: allowance	(69,129,533)
Net notes receivable	<u>\$ 3,496,817</u>

6. CAPITAL ASSETS

A summary of the changes in HABC's capital assets is as follows:

	Balance 6/30/14	Additions	Disposals	Adjs/Transfers	Balance 6/30/15
Land	\$ 47,973,353	\$ -	\$ (25,868)	\$ -	\$ 47,947,485
Buildings	1,000,286,002	54,448	(307,088)	29,037,866	1,029,071,228
Equipment	10,166,189	286,903	(35,347)	-	10,417,745
Leaseholds	266,587	-	-	-	266,587
Construction-in-progress	15,876,733	23,905,469	-	(29,037,866)	10,744,336
	1,074,568,864	24,246,820	(368,303)	-	1,098,447,381
Less Accumulated Depreciation:	(612,557,791)	(31,750,527)	276,239	-	(644,032,079)
Total	<u>\$ 462,011,073</u>	<u>\$ (7,503,707)</u>	<u>\$ (92,064)</u>	<u>\$ -</u>	<u>\$ 454,415,302</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

6. CAPITAL ASSETS (continued)

	Balance 6/30/13	Additions	Disposals	Adjs/Transfers	Balance 6/30/14
Land	\$ 48,314,429	\$ -	\$ (341,076)	\$ -	\$ 47,973,353
Buildings	952,411,458	1,617,820	(2,788,547)	49,045,271	1,000,286,002
Equipment	10,569,814	220,259	(623,884)	-	10,166,189
Leaseholds	266,587	-	-	-	266,587
Construction-in-progress	44,435,095	20,486,909	-	(49,045,271)	15,876,733
	1,055,997,383	22,324,988	(3,753,507)	-	1,074,568,864
Less Accumulated Depreciation:	(586,773,508)	(28,651,681)	2,867,398	-	(612,557,791)
Total	<u>\$ 469,223,875</u>	<u>\$ (6,326,693)</u>	<u>\$ (886,109)</u>	<u>\$ -</u>	<u>\$ 462,011,073</u>

Construction-in-progress is the cost incurred on open development projects or on major capital improvement projects under the Capital Fund Program (CFP) and Energy Performance Contract (EPC). These projects were at various stages of completion as of June 30, 2015 and 2014. Projects are not reclassified to other capital asset categories until the project is closed out and depreciation expense begins when projects are placed in service.

7. COMPENSATED ABSENCES

A summary of the changes in HABC's compensated absences is as follows:

	Balance 6/30/14	Additions	Reductions	Balance 6/30/15	Due Within One Year
Compensated Absences	\$ 7,440,493	\$ 1,373,499	\$ 1,769,021	\$ 7,044,971	\$ 2,053,476

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14	Due Within One Year
Compensated Absences	\$ 8,134,707	\$ 1,115,676	\$ 1,809,890	\$ 7,440,493	\$ 1,540,182

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

8. BONDS, NOTES AND CAPITAL LEASE PAYABLE

Long-term debt is summarized as follows:

	Balance 6/30/14	Additions	Reductions	Balance 6/30/15	Due Within One Year
EPC Bonds	\$ 50,785,000	\$ -	\$ (1,290,000)	\$ 49,495,000	\$ 1,510,000
Broadway Overlook	3,017,579	262,500	-	3,280,079	-
DHCD	293,716	-	(8,920)	284,796	9,100
Baltimore City Community Development Financing Corporation	175,229	-	(11,875)	163,354	13,374
Capital Lease Payable	<u>367,262</u>	<u>-</u>	<u>(158,366)</u>	<u>208,896</u>	<u>155,468</u>
Total long-term debt	<u>\$ 54,638,786</u>	<u>\$ 262,500</u>	<u>\$ (1,469,161)</u>	<u>\$ 53,432,125</u>	<u>\$ 1,687,942</u>

	Balance 6/30/13	Additions	Reductions	Balance 6/30/14	Due Within One Year
EPC Bonds	\$ 51,900,000	\$ -	\$ (1,115,000)	\$ 50,785,000	\$ 1,290,000
Broadway Overlook	2,824,264	193,315	-	3,017,579	-
DHCD	302,459	-	(8,743)	293,716	8,920
Baltimore City Community Development Financing Corporation	186,340	-	(11,111)	175,229	12,452
Capital Lease Payable	<u>510,869</u>	<u>-</u>	<u>(143,607)</u>	<u>367,262</u>	<u>149,523</u>
Total long-term debt	<u>\$ 55,723,932</u>	<u>\$ 193,315</u>	<u>\$ (1,278,461)</u>	<u>\$ 54,638,786</u>	<u>\$ 1,460,895</u>

a) Bonds Payable

In conjunction with the energy performance contract, the Authority issued \$52,190,000 in Series 2010A Federally Taxable-Build America Bonds and \$845,000 in Series 2010B Tax-Exempt Bonds on March 31, 2010. Interest rates on the Series 2010A bonds range from 3.66% to 6.5% with the final maturity on January 1, 2032. The interest rate on the 2010 Series B bonds is 1.25% and the bonds matured on July 1, 2013. The bonds were issued in connection with the acquisition of a lease for certain capital improvements to HABC properties related to energy conservation. The Build America Bond program provides subsidies from the U.S Treasury to offset some interest costs associated with the bonds.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

8. BONDS, NOTES AND CAPITAL LEASE PAYABLE (continued)

a) Bonds Payable (continued)

Future Maturities of bonds payable are as follows:

	Principal	Interest	Treasury Subsidy	Net Debt Service
2016	1,510,000	3,003,275	(1,051,146)	3,462,129
2017	1,635,000	2,935,209	(1,027,323)	3,542,886
2018	1,765,000	2,855,880	(999,558)	3,621,322
2019	1,905,000	2,762,641	(966,924)	3,700,717
2020	2,055,000	2,659,196	(930,719)	3,783,477
2021-2024	13,520,000	11,258,668	(3,940,534)	20,838,134
2025-2029	19,635,000	6,166,717	(2,158,351)	23,643,366
2030-2032	7,470,000	496,100	(173,635)	7,792,465
Total	\$ 49,495,000	\$ 32,137,686	\$ (11,248,190)	\$ 70,384,496

b) Notes and capital lease payable

Effective June 24, 2002, HABC entered into a loan agreement to finance the Broadway Overlook revitalization project. The funding for this project is an interest-bearing line of credit with SunTrust Bank for \$3,000,000. The terms of the agreement include varying interest rates (5.7% to 7%) dependent on the balance outstanding and repayment, applied to interest first, based on sales of the project units beginning three years after the date of the agreement with full payment no later than eighteen years from the date of the agreement. The balance outstanding at June 30, 2015 and 2014 was \$3,280,079 and \$3,017,579, of which the principal was \$1,999,144 for both years and the accrued interest was \$1,280,935 and \$1,018,435, respectively.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

8. BONDS, NOTES AND CAPITAL LEASE PAYABLE (continued)

Effective February 12, 1997, HABC entered into two loan agreements to finance the Montpelier revitalization project as follows:

The first note is a variable interest 40 year note with the Department of Housing and Community Development (DHCD) of the State of Maryland for \$399,000. Interest on the note was 0% for the construction period and 2% for the remainder of the term. Payments are to be made initially from surplus cash as defined in the agreement and then from other cash. The balance outstanding at June 30, 2015 and 2014 was \$284,796 and \$293,716, respectively.

The second note is a 20 year, 7.5% interest note with the Baltimore Community Development Financing Corporation for \$300,000. This note matures on the earlier of 20 years after the construction completion date or March 1, 2017, whichever is earlier. The balance outstanding at June 30, 2015 and 2014 was \$163,354 and \$175,229, respectively.

Effective July 26, 2011, HABC entered into a capital lease agreement with Enterprise Fleet Management, Inc. for 28 vehicles. The gross amount recorded on the balance sheet for the capital lease is \$729,349 with accumulated depreciation of \$509,787 at June 30, 2015 for the vehicles.

The balance outstanding of the capital lease payable at June 30, 2015 and 2014 was \$208,984 and \$358,262 respectively.

Future maturities of notes and leases payable at June 30, 2015 are as follows:

	<u>Principal</u>	<u>Interest</u>
2016	178,192	22,802
2017	76,871	16,623
2018	145,039	11,799
2019	9,662	5,051
2020	9,857	4,856
2021-2025	3,332,429	21,212
2026-2030	57,850	15,711
2031-2035	63,929	9,632
2036-2040	<u>63,296</u>	<u>2,945</u>
Total	<u>\$ 3,937,125</u>	<u>\$ 110,631</u>

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

9. NET POSITION

Components of net position by program consist of the following:

	2015	2014
Moving to Work Block Grant	\$ 443,070,847	\$ 457,475,429
Section 8 Housing Choice Voucher (FSS)	138,687	109,792
Section 8 Moderate Rehabilitation Program	835,483	911,534
Section 8 New Construction/Substantial Rehabilitation	552,399	601,553
Self Insurance Fund	20,000,000	-
Other	19,933,913	19,508,594
Youth Build	-	(5,773)
State/Local	<u>1,164,837</u>	<u>(2,811)</u>
Total net position	<u><u>\$ 485,696,166</u></u>	<u><u>\$ 478,598,318</u></u>

Restricted net position consists of amounts restricted for federal programs, restricted reserves, tenant deposits and other amounts restricted by outside parties. All restricted amounts are net of related liabilities. At June 30, 2015 and 2014, the authority had restricted net position of \$42,419,473 and \$18,269,776, respectively.

10. CAPITAL GRANTS

Contributed capital grants are recorded as non-operating revenue.

Certain new construction and rehabilitation projects are being funded through contributions from the Community Development Administration (CDA) and the City. If development costs exceed the CDA approved capital assistance, the excess will be contributed by the City. Repayment of the CDA capital assistance and payment of interest is not required unless an event of default occurs, as defined in the agreements.

As of June 30, 2015, management believes that HABC was in compliance with all applicable covenants. There are additional operating covenants which apply when the projects begin operations.

11. LAND LEASE

HABC entered into ground lease agreements with several limited partnerships that have constructed or are in the process of constructing rental home projects. The terms of the leases vary from 55 years to 99 years with an annual rent of \$1. The units must be used for public housing and are subject to public housing requirements. If at any time during the lease the public housing requirements are not met, the tenant is deemed to be in default and the lease is voided.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

12. EMPLOYEE BENEFIT PLAN

Retirement Plan

Plan Description

The Housing Authority of Baltimore City Retirement and 457 Plan Committee (the Committee) oversees and administers the Retirement Plan for the Employees of the Housing Authority of Baltimore City (the plan) - a single-employer employee retirement plan for all full-time employees. The Commission of the Authority has the authority to modify or amend the provisions of the plan. The Plan is a money purchase pension plan with both defined minimum benefits and defined contribution aspects. For most permanent participants, the accumulated contributions plus earnings provide a greater benefit than the minimum benefit defined under the Plan. Therefore, most eligible participants withdraw the contributions and interest to which they are entitled upon separation from HABC.

Benefits Provided

HABC changed the pension vesting schedule effective July 1, 2009. To receive HABC's contributions, employees must complete three years of continuous service to be considered fully "vested." If an employee leaves prior to completing three years of continuous service, all of HABC's contributions will be forfeited. If an employee leaves after completing three years of continuous service, the employee will receive the account balance of all of HABC's contributions. An employee 60 or older may retire with full minimum monthly defined benefits, if age plus years of service is 85 or greater. The full minimum benefit includes service the participant would have at the normal retirement date at age 65. An employee may retire with reduced monthly-defined benefits at age 55 with 10 years of service. In both situations, the accumulated contributions plus earnings can be taken as an alternative benefit. Under the Plan, the defined minimum annual benefit is 1.5 percent of the employee's final average compensation multiplied by years of service, for employees hired before October 26, 1991, and who did not elect to withdraw their prior required contributions. For participants hired on or after October 26, 1991, or who elected to withdraw their prior required contributions, the defined minimum annual benefit is 1 percent of final average compensation multiplied by years of service. Final average compensation is the average base rate of pay for the five highest consecutive years of service out of the last 10 years before age 65. For the full minimum benefit, base rates of pay for years between actual retirement date and normal retirement date are assumed to be equal to base rate of pay at actual retirement date. The final average pay used to calculate the defined minimum annual benefits are frozen as of December 31, 2012. Employees who were hired on or after October 1, 2012 are not entitled to the Plan's minimum benefits.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

12. EMPLOYEE BENEFIT PLAN (continued)

Retirement Plan (continued)

As of June 30, 2015, the retirement plan membership consisted of:

Active Participants	667
Terminated participants entitled to future benefits	<u>229</u>
Total	<u>896</u>

Funding Policy

For employees hired between July 1, 1984 and October 26, 1991 or those hired before July 1, 1984 who did not make the one-time election in 1991 to withdraw the value of the mandatory employee contribution account, HABC contributed 10 percent consisting of a 6 percent employer base contribution which is self-directed and a 4 percent pick up of the employee contribution which is invested in the Fixed Fund. For employees hired after October 26, 1991 or who were hired before July 1, 1984 and made a one-time election in 1991 to withdraw the value of the mandatory employee contribution account, HABC's policy is to contribute 6 percent of basic compensation: a 2 percent employer base contribution which is invested in the Fixed Fund and a 4 percent employer contribution which is self-directed. Employees may make voluntary post-tax contributions to the plan of 1 percent to 10 percent of pay. Total voluntary employee contributions to the plan for the fiscal year ended June 30, 2015 were \$195,231. For employees hired on or after October 1, 2012 HABC's policy is to contribute 3% of the employee's base pay to the plan. The Authority will also match dollar-for-dollar any employee contributions to the Plan up to a maximum of 3% of base pay.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

12. EMPLOYEE BENEFIT PLAN (continued)

Retirement Plan (continued)

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Committee. It is the policy of the Committee to pursue an investment strategy whose primary objectives are the generation of current income and safety and stability of principal. The Plan's policy is to hold no securities issued by the City of Baltimore, the State of Maryland or any other related entity. Assets held for the defined benefit portion of the plan are invested in a pension fixed fund with the following allocations:

<u>Asset Class</u>	<u>Target Allocation Total</u>
Domestic Fixed Income	99.50%
Cash	0.50%

Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 2.86%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Net Pension Liability (Asset) of the Authority

The components of the net pension liability (asset) of the Plan at June 30, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Pension benefit liability		
Vested	40,318,681	\$ 55,341,323
Nonvested	260,657	483,334
Total pension benefit liability	40,579,338	55,824,657
Plan fiduciary net position	47,929,513	62,029,065
Authority's net pension liability (asset)	\$ (7,350,175)	\$ (6,204,408)
Plan fiduciary net position as a percentage of total pension liability (asset)	118.11%	111.11%

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

12. EMPLOYEE BENEFIT PLAN (continued)

Retirement Plan (continued)

Actuarial Assumptions

The total pension liability (asset) was determined by an actuarial valuation as of June 30, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	None
Salary increases	3.0%
Investment rate of return	4.0%

Mortality rates were based on the RP-2014 Generational Mortality Table projected from the 2006 base tables with Scale MP-2015.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for a 5-year period.

	<u>Age</u>	<u>Rate of Retirement</u>
Retirement Age	60	10%
	61	5%
	62	20%
	63	5%
	64	5%
	65	100%

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

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

12. EMPLOYEE BENEFIT PLAN (continued)

Retirement Plan (continued)

Best estimates of arithmetic real rates of return for each major asset class as of June 30, 2015 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Equity	
Large Cap U.S. Equity	4.5%
Small Cap U.S. Equity	5.0%
Global Equity (Developed & Emerging)	5.0%
International (Non-U.S.) Equity (Developed)	5.0%
Emerging Markets Equity	6.4%
Fixed Income	
Cash (Government)	1.2%
Cash (LIBOR)	1.4%
TIPS	1.4%
Core U.S. Fixed Income (Market Duration)	2.0%
Long Duration Bonds - Government/Credit	2.2%
Long Duration Bonds - Credit	2.6%
Long Duration Bonds - Government	1.7%
High Yield Bonds	2.2%
Non-U.S. Developed Bond (0% Hedged)	1.6%
Non-U.S. Developed Bond (50% Hedged)	1.6%
Non-U.S. Developed Bond (100% Hedged)	1.5%
Emerging Markets Bonds (Sov. USD)	3.4%
Short Duration Bonds - Government	1.3%
Short Duration Bonds - Credit	1.7%
Intermediate Duration Bonds - Government	1.4%
Intermediate Duration Bonds - Credit	2.1%
Emerging Market Bonds (Corporate USD)	3.5%
Emerging Market Bonds (Sov. Local)	4.3%
Alternative Investments	
Hedge Fund-of-Funds Universe (Median Manager)	3.3%
Real Estate (Broad Market)	4.8%
Core Private Real Estate	3.8%
Commodities	3.6%
Private Equity	6.6%
Infrastructure	5.4%
Bank Loans	2.2%
Broad Hedge Funds (Diversified Portfolio of Direct HF's)	5.0%
U.S. REIT's	4.2%

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

12. EMPLOYEE BENEFIT PLAN (continued)

Retirement Plan (continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.00%. The Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability (asset) to changes in the discount rate

The following presents the net pension liability (asset) of the Authority, calculated using the discount rate of 4.00% as well as what the Authority's net position liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (3.00%) or 1-percentage point higher (5.00%) than the current rate:

	1% Decrease 3.00%	Current Rate 4.00%	1% Increase 5.00%
Total Pension Liability	\$ 40,788,221	\$ 40,579,338	\$ 40,394,848
Plan Fiduciary Net Position	(47,929,513)	(47,929,513)	(47,929,513)
Authority's Net Position Liability (Asset)	(7,141,292)	(7,350,175)	(7,534,665)

For the years ended June 30, 2015 and 2014, HABC's recognized pension expense was (\$93,550) and \$172,554 respectively.

Deferred Compensation Plan

HABC offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is a defined contribution plan consisting entirely of employee voluntary pretax deferrals and investment income on those deferrals. The plan, available to all regular full-time Authority employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

During fiscal year 2015, plan members contributed \$635,451. The investments in the plan are reported at the market value of the portfolio which was \$9,030,847 and \$9,186,005 as of June 30, 2015 and 2014, respectively. Investments are managed by the plan's trustee (M&T Bank) under one of several investment options, or a combination thereof, as chosen by the participants.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

12. EMPLOYEE BENEFIT PLAN (continued)

Deferred Compensation Plan (continued)

As of June 30, 2015, the number of participants in the plan was:

Active Participants	215
Terminated participants entitled to future benefits	<u>102</u>
Total	<u>317</u>

Death Benefits

For eligible current employees, HABC provides a lump-sum death benefit payment. The cost of this benefit is expensed when paid and was \$17,238 and \$149,573 as of June 30, 2015 and 2014, respectively.

Other Post-Employment Benefits (OPEB) Trust

The Authority made certain changes to the Other Post-Employment Benefits policy effective July 1, 2012. The new policy does not change benefits for current retirees or active employees who met the eligibility requirements for retirement as of November 1, 2006. Active employees who were not eligible for retirement as of November 1, 2006 are eligible for OPEB benefits, but effective January 1, 2013 HABC, ended contributions to annual cost increases in health and welfare benefits. In addition, the Authority discontinued the partial funding of benefits for retirees who were not eligible for retirement as of November 1, 2006 and their dependents once they obtain Medicare eligibility status. Employees hired on or after July 1, 2012 are not eligible for retiree health and welfare benefits from the Authority.

Plan Description - The HABC OPEB Trust provides certain health care benefits including healthcare, prescription drug, dental, vision, and life insurance to qualified retired employees and their dependents. Substantially all employees who retire or are disabled directly from HABC become eligible for these benefits. The post-retirement benefits plan is a cost-sharing plan that finances hospital, medical, dental, and prescription insurance for eligible retirees and their dependents. Vision insurance is currently provided to eligible retirees and their dependents at no cost to the retiree. General information regarding the plans and their benefits is described in HABC's Summary Plan Descriptions. Plan documents govern the provisions of the benefit plans. There were 303 retirees and beneficiaries receiving benefits and 504 active plan members at April 1, 2015, the date of the latest census data used in the actuarial valuation. The census data has adjusted for employee's election to retire using HABC's Voluntary Retirement Program.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

12. EMPLOYEE BENEFIT PLAN (continued)

Other Post-Employment Benefits (OPEB) Trust (continued)

Contributions – The Plan is a contributory plan in which HABC and the retired members and beneficiaries contribute, based on actuarial valuation, certain amounts toward the current cost of healthcare benefits.

Funding Status and Funding Progress - As of July 1, 2014, the most recent actuarial valuation, the actuarial accrued liability (AAL) was \$48,307,000 and the actuarial plan assets were \$33,854,000, therefore the unfunded AAL (UAAL) was \$14,453,000. However, the Authority contributed an additional \$10,000,000 in 2015 to reduce the OPEB obligation to \$3,098,858. The annual covered payroll of active employees covered by the Plan was \$38,827,063 and the ratio of the UAAL to covered payroll was 37.22 percent.

The actuarial valuation of the Plan involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarially determined amounts regarding the funded status of the Plan and the annual required contributions (ARC) of HABC and other participating agencies are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

In fiscal year 2011, HABC established an OPEB trust agreement with The Bank of New York Mellon Trust Company, N.A. (BONY) to fund the OPEB liability.

Annual OPEB Cost and Net OPEB Obligation - The ARC, or annual OPEB cost (AOC), for 2015 was based on an actuarial valuation as of July 1, 2014, the latest valuation report available.

In fiscal year 2014 HABC changed the amortization period of the unfunded actuarial accrued liability from 30 years to 1 year as allowed under GASB 45. This change in estimate resulted in an expense of \$15,673,858 for 2014 and a related liability. In fiscal year 2015, HABC contributed \$10,000,000 to the Trust which decreased the unfunded actuarial liability to \$3,098,858 and resulted in a pension expense of (\$381,000).

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

12. EMPLOYEE BENEFIT PLAN (continued)

Other Post-Employment Benefits (OPEB) Trust (continued)

Actuarial Methods and Assumptions - The calculations of projected benefits are based on the terms of the Plan in effect at the time of valuation and on the pattern of sharing costs between the employer and plan members to that point. The actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in the actuarial accrued liability and the actuarial value of assets.

Actuarial assumptions used in the actuarial valuation were:

Valuation date	July 1, 2014
Actuarial method	Projected unit credit cost method
Amortization method	Immediate recognition
Amortization period	1 year
Investment rate of return	4.00%
Salary scale	N/A
Mortality	RP 2014 blue collar, sex, distinct, fully generational with scale MP 2014
Health care cost trend rates:	
Medical	4.48% increasing to 4.83% in 2050; decreasing to 3.94% in 277
Vision	4.0%
Dental	4.5%

13. AFFILIATED ENTITIES AND RELATED PARTIES

HABC is a partner, owner, or interest holder either solely or severally with multiple organizations as part of various housing projects, development and construction projects, and for financing purposes. These separate legal entities are established to advance the mission of HABC related to development and management of various forms of public housing. Activity of these entities is reflected in HABC's financial statements as applicable, to the extent of their ownership interest and level of activity with one entity, HABC Montpelier Housing Corporation, presented as a blended component unit. This activity includes payment of operating expenses such as rent, taxes and utilities.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

13. AFFILIATED ENTITIES AND RELATED PARTIES (continued)

The following table reflects these entities, their purpose, and HABC's interest:

Project	HABC Affiliate	Date		Percentage Ownership
		Formed	HABC Interest	
Albemarle Square (Flag House I)	HABC Flag Housing Corp.	6/19/2002	Non-Managing General Partner	0.0000001
Albemarle Square (Flag House II)	HABC Flag II Housing Corp.	5/15/2003	Non-Managing General Partner	0.0000001
Arbor Oaks	HABC Mt. Pleasant Housing Corp.	5/7/1996	Non-Managing General Partner	0.5
Barclay Phase 1A	HABC Barclay Rental 1 Housing Corp.	12/30/2009	Special Limited Partner	0.01
Broadway Overlook	HABC Broadway Housing Corp.	12/3/2001	Non-Managing General Partner	0.005
Heritage Crossing	HABC Murphy/Julian Housing Corp.	3/31/2000	Non-Managing General Partner	0.005
Hillside Apartments	HABC Hillside Housing Corp.	11/1/1996	Non-Managing General Partner	0.5
Montpelier's Choice Apartments	HABC Montpelier Housing Corp.	10/1/1996	Owner	100
Orchard Ridge Rental I, LLC	HABC Orchard Ridge Rental 1 Hsng	7/18/2007	Non-Managing General Partner	0.01
Orchard Ridge Rental II, LLC	HABC Orchard Ridge Rental 1 Hsng	7/18/2007	Non-Managing General Partner	0.01
Orchard Ridge Rental III, LLC	HABC Orchard Ridge Rental 1 Hsng	7/18/2007	Non-Managing General Partner	0.01
Orchard Ridge Rental IV, LLC	HABC Orchard Ridge Rental 2 Hsng	6/27/2013	Non-Managing General Partner	0.01
Rennaisance at Reservoir	HABC Reservoir Hill Housing Corp.	7/18/2005	Non-Managing General Partner	0.009
Sharp-Leadenhall Rental	HABC Sharp-Leadenhall Hsng Corp.	4/6/2006	Non-Managing General Partner	0.0001
St. Ambrose	HABC Ambrose Housing Corp.	9/27/2002	Non-Managing General Partner	0.5
Terraces Senior Building	HABC Lexington Terrace Hsng Corp.	7/22/1998	Non-Managing General Partner	0.005
The Townes at Terraces	HABC Lexington Terrace Hsng Corp.	7/22/1998	Non-Managing General Partner	0.005
West Hills Square Apartments	HABC Westover Housing Corp.	9/27/2002	Participating Management Member	0.005

Not included in the above table is Resident Services, Inc., which was organized as a 501(c) (3) Maryland non-stock corporation separate from HABC. It is a discretely presented component unit with its financial statements presented separately.

14. COOPERATION WITH THE CITY OF BALTIMORE

HABC and the City mutually recognize the benefit of cooperation and coordination beyond that required by housing laws. This recognition was expressed in an Agreement for Services between HABC and the City in fiscal year 1996. The Agreement for Services provides the basis for payment for services and related materials provided by the two parties within the scope of their powers under existing laws and regulations. Either HABC or the City may provide, to the extent requested by the other, certain related services, including administration, planning, research, design, development, construction, rehabilitation, repair, property management and maintenance. All services are to be performed subject to the acceptance of the requesting party with proper authorizations under the applicable federal and local laws and regulations. These services are paid for at the same or equivalent rates as those which the performing party would charge a division of its own organization.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

15. CAPITAL FUND FINANCING PROGRAM BONDS

Effective December 1, 2003, HABC entered into a loan agreement with the Maryland Department of Housing and Community Development to fund certain capital improvements including land acquisition, site improvements, and building construction. The loan was funded by a bond issue in the principal amount of \$94,295,000 of which HABC's share was \$78,685,000. Based on the economic substance of this transaction, the Authority recorded this as grant revenue. Repayment of the loan was funded through contributions from HUD under the capital fund program subsidy due HABC. The payments were remitted directly from HUD to the fiscal agent to make payments on the bond. Payments on the bond began December 29, 2005 and were to be paid semi-annually thereafter until June, 2023.

HABC has been working with the State of Maryland to refinance this bond issue and a prepayment of \$19.34 million was made during 2014 in anticipation of this refinancing. However, subsequent to the 2015 year end, it was determined that HABC would pay off these bonds in anticipation of the impact of HABC's participation in HUD's Rental Assistance Demonstration (RAD) program. HABC has accrued \$17,635,675 at June 30, 2015 included in accrued liabilities for the payoff of these bonds.

16. COMMITMENTS AND CONTINGENCIES

As of June 30, 2015 and 2014, the unexpended budgets for uncompleted construction and major capital improvement projects were approximately \$22,903,831 and \$20,897,807, of which approximately \$9,663,212 and \$13,835,779, respectively, has been committed via agreements with construction vendors.

HABC has an unused line of credit totaling \$1,000,856 at June 30, 2015 for the mixed-financing Broadway Overlook Revitalization Project.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

16. COMMITMENTS AND CONTINGENCIES (continued)

Operating Leases

As of June 30, 2015, HABC had entered into various lease agreements for the rental of office space ranging from one to ten years. Rental expense under these leases for the years ended June 30, 2015 and 2014 was \$2,051,119 and \$2,126,023, respectively.

Future minimum lease payments under these operating leases are as follows:

2016	\$ 2,104,771
2017	2,202,362
2018	2,280,088
2019	890,824
2020	912,623
2021-2024	<u>3,016,455</u>
	<u>\$ 11,407,123</u>

Deeds of Trust

As part of the Heritage Crossing Homeownership program, HABC provided grants to homeowners in the form of Deeds of Trusts on all 185 homes sold. The terms of these trusts state that only during the first 10 years, if the homeowner refinances or takes a home equity loan, the proceeds from such loans must be paid to HABC. In the event that the property is sold or transferred in the first ten years, any gains must be distributed to HABC in percentages based on the passage of time as follows: within 1-5 years - 90%; 6 years- 80%; 7-9 years - 20%, plus 20% per additional year.

Grants

HABC receives significant financial assistance from numerous Federal, State and City governmental agencies in the form of grants and subsidies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements and are subject to audit by the granter agencies. Any disallowed claims resulting from such audits could become HABC's liabilities.

In the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the individual funds included in HABC's financial position as of 2014.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

16. COMMITMENTS AND CONTINGENCIES (continued)

Grants (continued)

HABC is subject to numerous laws and regulations. HUD, as well as other internal and external auditors, is currently conducting inquiries and/or investigations regarding the compliance by HABC and its programs with such laws and regulations. Management believes that there may be findings that result from these inquiries and/or investigations; however, the significance of such findings on HABC cannot be determined.

Partnership Rental Housing

HABC has participated in numerous separate partnership rental housing projects. In some projects, HABC is a one-half of one percent general partner in these projects. See Note 13 for details by project and percentage of ownership. HABC may ultimately bear some risk related to the operations or the assets and liabilities of these projects as a result of HABC's role and ownership.

Litigation

HABC has been named in multiple complex tort litigation claims related to lead paint poisoning. From October 2011 through June 2015, HABC has paid approximately \$12.9 million, with HUD approval to satisfy nine judgements due to lead based paint injuries.

During 2015, due to the complexity and extent of the lead paint cases with which HABC is involved, HABC continued to seek HUD approval to establish a separate fund from which to pay any claims, judgements, and the related legal expenses. HUD approved this request and HABC has established a reserve of \$20,000,000 as of June 30, 2015. As a condition for agreeing to the reserve for this purpose, HUD requires, among other things, that HABC continue to follow HUD guidance with respect to litigation, which include obtaining approval from HUD to pay claims, judgements, or related legal expenses from the reserve fund. There have been no disbursements made from this fund as of the audit report date.

Also during 2015, HABC was identified as a defendant in a class action lawsuit claiming sexual harassment of residents by HABC maintenance employees. After engaging in mediation with the federal judge assigned to the mediation, HABC and the plaintiffs agreed to a settlement of the case as a class action with the settlement fund ranging from \$6,000,000 up to \$7,950,000 with an anticipation of \$850,000 to be offset by insurance proceeds. HABC has accrued the maximum expense of \$7.1 million in its financial record ending June 30, 2015. HABC has required all employees to undergo mandatory sexual harassment training and has notified residents that they should contact HABC's Internal Audits and Investigation Unit to report any incidents of sexual harassment.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

17. FUTURE GASB PRONOUNCEMENTS

GASB routinely issues standards that are effective for future years. Management is currently evaluating the potential impact of the following standards issued by GASB on HABC for future years.

Statement No. 72 – Fair Value Measurement and Application

This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for financial statements for periods beginning after June 15, 2015. HABC is currently evaluating the effect of the implementation of this statement.

Statement No. 74 – Financial Reporting for Postemployment Benefit Plans Other than Pension Plans

The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. HABC is currently evaluating the effect of the implementation of this statement.

Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pension Plans

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement is effective for fiscal years beginning after June 15, 2017. HABC is currently evaluating the effect of the implementation of this statement.

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2015 and 2014

18. SUBSEQUENT EVENTS

Rental Assistance Demonstration (RAD)

HABC participates in HUD's Rental Assistance Demonstration Program (RAD) whereby HABC is converting 24 public housing sites for more than 4,000 units to a form of project-based assistance under Section 8 of the Housing Act of 1937. This program is taking place in two phases and includes the transfer of ownership of these sites to private developers.

Subsequent to the fiscal year-end, as of February 23, 2016, HABC has closed and settled on eight RAD sites totaling 1,514 units. Upon settlement, the new owners assume management of the sites and will begin the agreed upon redevelopment work. HABC has no employees at the settled sites and terminated all related contracts and obligations related to each site's operations.

Proceeds of the settlements are recognized by the Baltimore Affordable Housing Development, Inc., a discretely presented component unit of HABC. No transactions related to RAD are reflected in these financial statements for the fiscal year ending June 30, 2015.

Settlements on the remaining sites are expected to take place throughout calendar year 2016.

Capital Fund Financing Program Bonds

Subsequent to the 2015 year end, HABC made a payoff for their share of Capital Fund Financing Program Bonds issued by the State of Maryland. Detail is disclosed under Note 15. In reconciling the pay-off amount with various trustee accounts pertaining to the applicable bond issue or bond series, the State identified additional funds due back to HABC as a result of investment returns, transfers and surplus funds previously not considered when determining the payoff amount. As a result, HABC will receive approximately \$3.8 million from the State in March, 2016. This amount is not reflected in the financial statements.

HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF FUNDING PROGRESS - OPEB TRUST
Years Ended June 30, 2015 and 2014

Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	Unfunded AAL as % of Covered Payroll
7/1/2013	\$ 33,854,000	\$ 48,307,000	\$ 14,453,000	70.08%	\$ 38,827,063	37.22%
7/1/2012	33,547,000	49,288,000	15,741,000	68.06%	43,225,000	36.42%
7/1/2011	25,317,000	96,057,000	70,740,000	26.36%	39,343,180	179.80%
7/1/2010	25,316,522	94,596,000	69,279,478	26.76%	40,451,752	171.26%
7/1/2009	-	94,596,000	94,596,000	0.00%	40,451,752	233.85%
7/1/2008	-	84,870,222	84,870,222	0.00%	37,699,000	225.13%
7/1/2007	-	84,870,222	84,870,222	0.00%	37,699,000	225.13%

HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF CHANGES IN AUTHORITY'S NET PENSION LIABILITY
AND RELATED RATIOS

	<u>2015</u>	<u>2014</u>
Total pension liability		
Interest	\$ 2,131,472	\$ 3,202,473
Change in benefit terms	200,237	17,547
Other governmental grants	-	1,502,952
Funding method change	(578,454)	-
Change in assumptions	106,862	(998,056)
Benefit payment, including refunds of member contributions	<u>(17,105,436)</u>	<u>(4,772,008)</u>
Net change in total pension liability	<u>(15,245,319)</u>	<u>(1,047,092)</u>
Total pension liability - beginning	<u>55,824,657</u>	<u>56,871,749</u>
Total pension liability - ending (a)	<u>\$ 40,579,338</u>	<u>\$ 55,824,657</u>
Plan fiduciary net position		
Contributions - employer	\$ 2,184,973	\$ 2,353,399
Contributions - member	195,231	215,203
Net investment income	1,571,942	3,380,781
Benefit payments, including refunds of member contributions	<u>(18,051,698)</u>	<u>(4,772,008)</u>
Net change in plan fiduciary net position	<u>(14,099,552)</u>	<u>1,177,375</u>
Plan fiduciary net position - beginning	<u>62,029,065</u>	<u>60,851,690</u>
Plan fiduciary net position - ending (b)	<u>\$ 47,929,513</u>	<u>\$ 62,029,065</u>
Authority's net pension liability (asset) - ending (a) - (b)	<u>\$ (7,350,175)</u>	<u>\$ (6,204,408)</u>
Plan fiduciary net position as a percentage of total pension liability	118.11%	111.11%
Covered employee payroll	28,206,704	35,041,919
Authority's net position liability as a percentage of covered employee payroll	-26.06%	-17.71%

HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF PENSION CONTRIBUTIONS
Last 10 Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ 163,188	\$ 136,954	\$ 110,786	\$ -	\$ -	\$ -
Contributions in relation to actuarially determined contributions	<u>2,184,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>163,188</u>	<u>136,954</u>	<u>110,786</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contributions deficiency (excess)	<u>\$ (2,184,973)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 28,206,704	\$ 35,041,919	\$ 34,933,378	\$ 38,878,369	\$ 39,906,966	\$ 40,451,752	\$ 38,114,000	\$ 37,674,000	\$ 36,939,000	\$ 37,699,000
Contributions as a percentage of covered employee payroll	7.75%	0.00%	0.0%	0.0%	0.4%	0.3%	0.3%	0.0%	0.0%	0.0%

Notes to Schedule

Valuation Date June 30, 2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age Normal
Amortization method: Level dollar
Remaining amortization period: 10 years
Asset valuation method: Fair Value
Inflation: 2.3%
Salary increases: 3.0%
Investment rate of return: 4.0%
Retirement age: In the 2015 actuarial valuation, expected retirement ages of general plan members were based on an experience study performed.

Mortality: In the 2015 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the RP-2014 Generational Mortality Table Projected from the 2006 base tables with Scale MP-2015.

**HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF PENSION INVESTMENT RETURNS**

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	2.86%	4.41%

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 BALANCE SHEET SUMMARY
 June 30, 2015

Account Description	14.881 Moving to Work Demonstration Program	HCV for MTW 14.HCV	LIPH for MTW 14.OPS	CFP for MTW 14.CFP
CURRENT ASSETS				
Cash:				
111 Cash - Unrestricted	\$ 35,627,160	\$ -	\$ -	\$ -
112 Cash - Restricted - Modernization and Development	5,401,269	-	-	-
113 Cash - Other Restricted	386,040	-	-	-
114 Cash - Tenant Security Deposits	-	-	-	-
115 Cash - Restricted for Payment of Current Liabilities	410,919	-	-	-
100 Total Cash	<u>41,825,388</u>	<u>-</u>	<u>-</u>	<u>-</u>
Accounts and notes receivable:				
121 Accounts Receivable - PHA Projects	276,417	-	-	-
122 Accounts Receivable - HUD Other Projects	2,032,697	-	-	-
124 Accounts Receivable - Other Government	-	-	-	-
125 Accounts Receivable - Miscellaneous	9,197	-	-	-
126 Accounts Receivable - Tenants	-	-	-	-
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-
128 Fraud Recovery	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-
129 Accrued Interest Receivable	30,145	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	<u>2,348,456</u>	<u>-</u>	<u>-</u>	<u>-</u>
131 Investments - Unrestricted	47,407,608	-	-	-
132 Investments - Restricted	-	-	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-
Total current investments	<u>47,407,608</u>	<u>-</u>	<u>-</u>	<u>-</u>
142 Prepaid Expenses and Other Assets	3,294,290	-	-	-
143 Inventories	340,922	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-
144 Inter Program Due From	-	-	-	-
145 Assets Held for Sale	-	-	-	-
150 Total Current Assets	<u>95,216,664</u>	<u>-</u>	<u>-</u>	<u>-</u>
NONCURRENT ASSETS				
Fixed assets:				
161 Land	-	-	-	-
162 Buildings	2,688,803	-	-	-
163 Furniture, Equipment & Machinery - Dwellings	-	-	-	-
164 Furniture, Equipment & Machinery - Administration	5,893,691	-	-	-
165 Leasehold Improvements	266,587	-	-	-
166 Accumulated Depreciation	(5,894,821)	-	-	-
167 Construction in Progress	707,518	-	-	-
168 Infrastructure	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	<u>3,661,778</u>	<u>-</u>	<u>-</u>	<u>-</u>
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-
174 Other Assets	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-
180 Total Non-Current Assets	<u>3,661,778</u>	<u>-</u>	<u>-</u>	<u>-</u>
200 Deferred Outflow of Resources	-	-	-	-
290 Total Assets and Deferred Outflow of Resources	<u>\$ 98,878,442</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 BALANCE SHEET SUMMARY
 June 30, 2015

AMPS 14.850/872	Total MTW Programs	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program Section 8 Moderate	14.182 N/C S/R Section 8 Programs	2 State/Local	14.870 Resident Opportunity and Supportive Services
\$ 178,216	\$ 35,805,376	\$ 141,678	\$ 531,162	\$ 493,375	\$ 1,062,089	\$ -
-	5,401,269	-	-	-	-	-
587,856	973,896	-	-	-	-	-
391,507	391,507	-	-	-	-	-
356,854	767,773	-	-	-	-	-
<u>1,514,433</u>	<u>43,339,821</u>	<u>141,678</u>	<u>531,162</u>	<u>493,375</u>	<u>1,062,089</u>	<u>-</u>
-	-	-	-	-	-	-
-	276,417	-	-	-	-	-
-	2,032,697	-	58,073	59,024	-	20,162
394,072	394,072	-	-	-	-	-
70,708	79,905	-	-	-	76,246	-
1,475,675	1,475,675	-	-	-	-	-
(727,872)	(727,872)	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	30,145	-	-	-	-	-
<u>1,212,583</u>	<u>3,561,039</u>	<u>-</u>	<u>58,073</u>	<u>59,024</u>	<u>76,246</u>	<u>20,162</u>
-	47,407,608	-	-	-	-	-
2,406,920	2,406,920	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,406,920</u>	<u>49,814,528</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
99,404	3,393,694	-	-	-	1,656	6,244
-	340,922	-	-	-	-	-
-	-	-	-	-	-	-
7,151,068	7,151,068	-	-	-	-	-
-	-	-	-	-	-	-
<u>12,384,408</u>	<u>107,601,072</u>	<u>141,678</u>	<u>589,235</u>	<u>552,399</u>	<u>1,139,991</u>	<u>26,406</u>
45,779,459	45,779,459	-	-	-	-	-
1,010,436,014	1,013,124,817	-	-	-	-	-
-	-	-	-	-	-	-
3,875,764	9,769,455	-	-	-	648,290	-
-	266,587	-	-	-	-	-
(625,170,143)	(631,064,964)	-	-	-	(589,340)	-
10,036,818	10,744,336	-	-	-	-	-
-	-	-	-	-	-	-
<u>444,957,912</u>	<u>448,619,690</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,950</u>	<u>-</u>
3,544,689	3,544,689	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>448,502,601</u>	<u>452,164,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,950</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 460,887,009</u>	<u>\$ 559,765,451</u>	<u>\$ 141,678</u>	<u>\$ 589,235</u>	<u>\$ 552,399</u>	<u>\$ 1,198,941</u>	<u>\$ 26,406</u>

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 BALANCE SHEET SUMMARY
 June 30, 2015

Account Description	17.274 YouthBuild Program	1 Business Activities	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.866 Revitalization of Severely Distressed Public Housing
CURRENT ASSETS				
Cash:				
111 Cash - Unrestricted	\$ -	\$ 565,173	\$ 576,686	\$ -
112 Cash - Restricted - Modernization and Development	-	-	-	-
113 Cash - Other Restricted	-	5,309,442	-	-
114 Cash - Tenant Security Deposits	-	114,546	-	-
115 Cash - Restricted for Payment of Current Liabilities	-	-	-	-
100 Total Cash	<u>-</u>	<u>5,989,161</u>	<u>576,686</u>	<u>-</u>
Accounts and notes receivable:				
121 Accounts Receivable - PHA Projects	-	-	-	-
122 Accounts Receivable - HUD Other Projects	-	-	73,003	857
124 Accounts Receivable - Other Government	-	-	-	-
125 Accounts Receivable - Miscellaneous	18,164	156,638	-	-
126 Accounts Receivable - Tenants	-	37,966	-	-
126.1 Allowance for Doubtful Accounts - Tenants	-	-	-	-
126.2 Allowance for Doubtful Accounts - Other	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-
128 Fraud Recovery	-	-	-	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-
129 Accrued Interest Receivable	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	<u>18,164</u>	<u>194,604</u>	<u>73,003</u>	<u>857</u>
131 Investments - Unrestricted	-	-	-	-
132 Investments - Restricted	-	1,714,947	-	-
135 Investments - Restricted for Payment of Current Liability	-	-	-	-
Total current investments	<u>-</u>	<u>1,714,947</u>	<u>-</u>	<u>-</u>
142 Prepaid Expenses and Other Assets	761	2,140	-	-
143 Inventories	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	-	-
144 Inter Program Due From	-	-	-	-
145 Assets Held for Sale	-	-	-	-
150 Total Current Assets	<u>18,925</u>	<u>7,900,852</u>	<u>649,689</u>	<u>857</u>
NONCURRENT ASSETS				
Fixed assets:				
161 Land	-	2,168,026	-	-
162 Buildings	-	15,946,411	-	-
163 Furniture, Equipment & Machinery - Dwellings	-	-	-	-
164 Furniture, Equipment & Machinery - Administration	-	-	-	-
165 Leasehold Improvements	-	-	-	-
166 Accumulated Depreciation	-	(12,377,775)	-	-
167 Construction in Progress	-	-	-	-
168 Infrastructure	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	<u>-</u>	<u>5,736,662</u>	<u>-</u>	<u>-</u>
171 Notes, Loans and Mortgages Receivable - Non-Current	-	523,190	-	-
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	-	-	-	-
173 Grants Receivable - Non Current	-	-	-	-
174 Other Assets	-	-	-	-
176 Investments in Joint Ventures	-	6,641,353	-	-
180 Total Non-Current Assets	<u>-</u>	<u>12,901,205</u>	<u>-</u>	<u>-</u>
200 Deferred Outflow of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
290 Total Assets and Deferred Outflow of Resources	<u>\$ 18,925</u>	<u>\$ 20,802,057</u>	<u>\$ 649,689</u>	<u>\$ 857</u>

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 BALANCE SHEET SUMMARY
 June 30, 2015

8 Other Federal Program 1	ELIM	HABC Proprietary Fund Total	Discretely Presented Component Unit	Fiduciary OPEB Trust and Pension Fund	Grand Total
\$ -	\$ -	\$ 39,175,539	\$ 476,732	\$ 24,050,436	\$ 63,702,707
-	-	5,401,269	-	-	5,401,269
20,000,000	-	26,283,338	-	-	26,283,338
-	-	506,053	-	-	506,053
-	-	767,773	-	-	767,773
<u>20,000,000</u>	<u>-</u>	<u>72,133,972</u>	<u>476,732</u>	<u>24,050,436</u>	<u>96,661,140</u>
-	-	276,417	-	-	276,417
-	-	2,243,816	-	-	2,243,816
-	-	394,072	10,757	17,404	422,233
-	-	330,953	-	4,692	335,645
-	-	1,513,641	-	-	1,513,641
-	-	(727,872)	-	-	(727,872)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	30,145	-	13,165	43,310
-	-	4,061,172	10,757	35,261	4,107,190
-	-	-	-	-	-
-	-	47,407,608	-	67,929,513	115,337,121
-	-	4,121,867	-	-	4,121,867
-	-	-	-	-	-
-	-	51,529,475	-	67,929,513	119,458,988
-	-	3,404,495	-	-	3,404,495
-	-	340,922	-	-	340,922
-	-	-	-	-	-
-	(7,108,713)	42,355	-	-	42,355
-	-	-	-	-	-
<u>20,000,000</u>	<u>(7,108,713)</u>	<u>131,512,391</u>	<u>487,489</u>	<u>92,015,210</u>	<u>224,015,090</u>
-	-	-	-	-	-
-	-	47,947,485	-	-	47,947,485
-	-	1,029,071,228	-	-	1,029,071,228
-	-	-	-	-	-
-	-	10,417,745	-	-	10,417,745
-	-	266,587	-	-	266,587
-	-	(644,032,079)	-	-	(644,032,079)
-	-	10,744,336	-	-	10,744,336
-	-	-	-	-	-
-	-	454,415,302	-	-	454,415,302
-	-	-	-	-	-
-	-	4,067,879	-	-	4,067,879
-	-	-	-	-	-
-	-	-	-	-	-
-	-	6,641,353	-	-	6,641,353
-	-	465,124,534	-	-	465,124,534
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 20,000,000</u>	<u>\$ (7,108,713)</u>	<u>\$ 596,636,925</u>	<u>\$ 487,489</u>	<u>\$ 92,015,210</u>	<u>\$ 689,139,624</u>

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 BALANCE SHEET SUMMARY
 June 30, 2015

Account Description	14.881 Moving to Work Demonstration Program	HCV for MTW 14.HCV	LIPH for MTW 14.OPS	CFP for MTW 14.CFP
CURRENT LIABILITIES				
311 Bank Overdraft	\$ -	\$ -	\$ -	\$ -
312 Accounts Payable <= 90 Days	(7,546,195)	-	-	-
313 Accounts Payable >90 Days Past Due	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	(2,285,539)	-	-	-
322 Accrued Compensated Absences - Current Portion	(2,017,941)	-	-	-
324 Accrued Contingency Liability	-	-	-	-
325 Accrued Interest Payable	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-
333 Accounts Payable - Other Government	(713,693)	-	-	-
341 Tenant Security Deposits	-	-	-	-
342 Unearned Revenue	(81,843)	-	-	-
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	(92,914)	-	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-
345 Other Current Liabilities	-	-	-	-
346 Accrued Liabilities - Other	(26,841,521)	-	-	-
347 Inter Program - Due To	(5,184,239)	-	-	-
348 Loan Liability - Current	-	-	-	-
310 Total Current Liabilities	<u>(44,763,885)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NONCURRENT LIABILITIES				
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	(23,367)	-	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-
354 Accrued Compensated Absences - Non Current	(4,850,235)	-	-	-
355 Loan Liability - Non Current	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-
357 Accrued Pension and OPEB Liabilities	(3,394,164)	-	-	-
350 Total Non-Current Liabilities	<u>(8,267,766)</u>	<u>-</u>	<u>-</u>	<u>-</u>
300 Total Liabilities	<u>(53,031,651)</u>	<u>-</u>	<u>-</u>	<u>-</u>
400 Deferred Inflow of Resources	<u>(2,647,317)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
508.4 Net Investment in Capital Assets	(3,904,323)	-	-	-
511.4 Restricted Net Position	(5,787,309)	-	-	-
512.4 Unrestricted Net Position	(33,507,842)	-	-	-
513 Total Equity - Net Assets / Position	<u>(43,199,474)</u>	<u>-</u>	<u>-</u>	<u>-</u>
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	<u>\$ (98,878,442)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 BALANCE SHEET SUMMARY
 June 30, 2015

AMPS 14.850/872	Total MTW Programs	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program Section 8 Moderate	14.182 N/C S/R Section 8 Programs	2 State/Local	14.870 Resident Opportunity and Supportive Services
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(94,179)	(7,640,374)	-	-	-	-	-
-	-	-	-	-	-	-
(6,593)	(2,292,132)	-	-	-	-	-
-	(2,017,941)	-	-	-	(3,826)	(1,294)
-	-	-	-	-	-	-
-	-	-	(134,014)	-	-	-
-	-	-	-	-	-	-
(601,221)	(1,314,914)	-	-	-	-	-
(391,507)	(391,507)	-	-	-	-	-
(575,152)	(656,995)	-	-	-	-	-
(1,577,006)	(1,669,920)	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(4,534,236)	(31,375,757)	(2,991)	-	-	(15,070)	-
(1,890,658)	(7,074,897)	-	-	-	-	(19,969)
-	-	-	-	-	-	-
<u>(9,670,552)</u>	<u>(54,434,437)</u>	<u>(2,991)</u>	<u>(134,014)</u>	<u>-</u>	<u>(18,896)</u>	<u>(21,263)</u>
(48,065,005)	(48,088,372)	-	-	-	-	-
(3,280,079)	(3,280,079)	-	-	-	-	-
-	-	-	-	-	-	-
-	(4,850,235)	-	-	-	(15,208)	(5,143)
-	-	-	-	-	-	-
-	(3,394,164)	-	-	-	-	-
<u>(51,345,084)</u>	<u>(59,612,850)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,208)</u>	<u>(5,143)</u>
(61,015,636)	(114,047,287)	(2,991)	(134,014)	-	(34,104)	(26,406)
-	(2,647,317)	-	-	-	-	-
(395,186,105)	(399,090,428)	-	-	-	(58,950)	-
(2,765,746)	(8,553,055)	-	-	-	-	-
(1,919,522)	(35,427,364)	(138,687)	(455,221)	(552,399)	(1,105,887)	-
<u>(399,871,373)</u>	<u>(443,070,847)</u>	<u>(138,687)</u>	<u>(455,221)</u>	<u>(552,399)</u>	<u>(1,164,837)</u>	<u>-</u>
\$ (460,887,009)	\$ (559,765,451)	\$ (141,678)	\$ (589,235)	\$ (552,399)	\$ (1,198,941)	\$ (26,406)

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 BALANCE SHEET SUMMARY
 June 30, 2015

Account Description	17.274 YouthBuild Program	1 Business Activities	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.866 Revitalization of Severely Distressed Public Housing
CURRENT LIABILITIES				
311 Bank Overdraft	\$ -	\$ -	\$ -	\$ -
312 Accounts Payable <= 90 Days	-	(61,043)	-	-
313 Accounts Payable >90 Days Past Due	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-
322 Accrued Compensated Absences - Current Portion	(1,109)	(29,306)	-	-
324 Accrued Contingency Liability	-	-	-	-
325 Accrued Interest Payable	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	(269,427)	-
332 Account Payable - PHA Projects	-	-	-	-
333 Accounts Payable - Other Government	-	(121,303)	-	-
341 Tenant Security Deposits	-	(114,546)	-	-
342 Unearned Revenue	-	(3,375)	-	-
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	(18,020)	-	-
344 Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-
345 Other Current Liabilities	-	-	-	-
346 Accrued Liabilities - Other	(416)	(28,318)	-	-
347 Inter Program - Due To	(12,990)	-	-	(857)
348 Loan Liability - Current	-	-	-	-
310 Total Current Liabilities	<u>(14,515)</u>	<u>(375,911)</u>	<u>(269,427)</u>	<u>(857)</u>
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	(375,734)	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-
353 Non-current Liabilities - Other	-	-	-	-
354 Accrued Compensated Absences - Non Current	(4,410)	(116,499)	-	-
355 Loan Liability - Non Current	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-
350 Total Non-Current Liabilities	<u>(4,410)</u>	<u>(492,233)</u>	<u>-</u>	<u>-</u>
300 Total Liabilities	<u>(18,925)</u>	<u>(868,144)</u>	<u>(269,427)</u>	<u>(857)</u>
400 Deferred Inflow of Resources	-	-	-	-
508.4 Net Investment in Capital Assets	-	(5,342,908)	-	-
511.4 Restricted Net Position	-	(13,866,418)	-	-
512.4 Unrestricted Net Position	-	(724,587)	(380,262)	-
513 Total Equity - Net Assets / Position	<u>-</u>	<u>(19,933,913)</u>	<u>(380,262)</u>	<u>-</u>
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	<u>\$ (18,925)</u>	<u>\$ (20,802,057)</u>	<u>\$ (649,689)</u>	<u>\$ (857)</u>

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 BALANCE SHEET SUMMARY
 June 30, 2015

8 Other Federal Program I	ELIM	HABC Proprietary Fund Total	Discretely Presented Component Unit	Fiduciary OPEB Trust and Pension Fund	Grand Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	(7,701,417)	-	-	(7,701,417)
-	-	-	-	-	-
-	-	(2,292,132)	(46,780)	-	(2,338,912)
-	-	(2,053,476)	-	-	(2,053,476)
-	-	-	-	-	-
-	-	(403,441)	-	-	(403,441)
-	-	-	-	-	-
-	-	(1,436,217)	-	-	(1,436,217)
-	-	(506,053)	-	-	(506,053)
-	-	(660,370)	(54,401)	-	(714,771)
-	-	(1,687,940)	-	-	(1,687,940)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(31,422,552)	(663)	-	(31,423,215)
-	7,108,713	-	(42,355)	-	(42,355)
-	-	-	-	-	-
-	<u>7,108,713</u>	<u>(48,163,598)</u>	<u>(144,199)</u>	-	<u>(48,307,797)</u>
-	-	-	-	-	-
-	-	(48,464,106)	-	-	(48,464,106)
-	-	(3,280,079)	-	-	(3,280,079)
-	-	-	-	-	-
-	-	(4,991,495)	-	-	(4,991,495)
-	-	-	-	-	-
-	-	(3,394,164)	-	-	(3,394,164)
-	-	<u>(60,129,844)</u>	-	-	<u>(60,129,844)</u>
-	-	-	-	-	-
-	<u>7,108,713</u>	<u>(108,293,442)</u>	<u>(144,199)</u>	-	<u>(108,437,641)</u>
-	-	-	-	-	-
-	-	<u>(2,647,317)</u>	-	-	<u>(2,647,317)</u>
-	-	-	-	-	-
-	-	(404,492,286)	-	-	(404,492,286)
(20,000,000)	-	(42,419,473)	-	-	(42,419,473)
-	-	<u>(38,784,407)</u>	<u>(343,290)</u>	<u>(92,015,210)</u>	<u>(131,142,907)</u>
<u>(20,000,000)</u>	-	<u>(485,696,166)</u>	<u>(343,290)</u>	<u>(92,015,210)</u>	<u>(578,054,666)</u>
-	-	-	-	-	-
\$ (20,000,000)	\$ 7,108,713	\$ (596,636,925)	\$ (487,489)	\$ (92,015,210)	\$ (689,139,624)

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 REVENUE AND EXPENSE SUMMARY
 June 30, 2015

Account Description	14.881 Moving to Work Demonstration Program	HCV for MTW 14.HCV	LIPH for MTW 14.OPS	CFP for MTW 14.CFP
REVENUE				
70300 Net Tenant Rental Revenue	\$ (46,800)	\$ -	\$ -	\$ -
70400 Tenant Revenue - Other	-	-	-	-
70500 Total Tenant Revenue	<u>(46,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>
70600 HUD PHA Operating Grants	-	(203,682,985)	(85,156,754)	(5,829,954)
70610 Capital Grants	-	-	-	(12,261,543)
70710 Management Fee	-	-	-	-
70720 Asset Management Fee	-	-	-	-
70730 Book Keeping Fee	-	-	-	-
70740 Front Line Service Fee	-	-	-	-
70750 Other Fees	-	-	-	-
70700 Total Fee Revenue	-	-	-	-
70800 Other Government Grants	-	-	-	-
71100 Investment Income - Unrestricted	(72,878)	-	-	-
71200 Mortgage Interest Income	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-
71400 Fraud Recovery	(15,778)	-	-	-
71500 Other Revenue	(2,622,086)	-	-	-
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-
70000 Total Revenue	<u>(2,757,542)</u>	<u>(203,682,985)</u>	<u>(85,156,754)</u>	<u>(18,091,497)</u>
EXPENSES				
Administrative:				
91100 Administrative Salaries	12,318,667	-	-	-
91200 Auditing Fees	119,041	-	-	-
91300 Management Fee	-	-	-	-
91310 Book-keeping Fee	-	-	-	-
91400 Advertising and Marketing	81,569	-	-	-
91500 Employee Benefit contributions - Administrative	4,974,879	-	-	-
91600 Office Expenses	2,581,244	-	-	-
91700 Legal Expense	280,178	-	-	-
91800 Travel	135,586	-	-	-
91810 Allocated Overhead	(10,920,663)	-	-	-
91900 Other	4,932,570	-	-	-
91000 Total Operating - Administrative	<u>14,503,071</u>	<u>-</u>	<u>-</u>	<u>-</u>
Tenant Services:				
92000 Asset Management Fee	-	-	-	-
92100 Tenant Services - Salaries	61,762	-	-	-
92200 Relocation Costs	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	130,388	-	-	-
92400 Tenant Services - Other	10,927	-	-	-
92500 Total Tenant Services	<u>203,077</u>	<u>-</u>	<u>-</u>	<u>-</u>
Utilities:				
93100 Water	-	-	-	-
93200 Electricity	8,162	-	-	-
93300 Gas	-	-	-	-
93400 Fuel	-	-	-	-
93500 Labor	-	-	-	-
93600 Sewer	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-
93800 Other Utilities Expense	-	-	-	-
93000 Total Utilities	<u>8,162</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ordinary maintenance and operations:				
94100 Ordinary Maintenance and Operations - Labor	6,065	-	-	-
94200 Ordinary Maintenance and Operations - Materials and Other	107,949	-	-	-
94300 Ordinary Maintenance and Operations Contracts	123,662	-	-	-
94500 Employee Benefit Contributions - Ordinary Maintenance	569,541	-	-	-
94000 Total Maintenance	<u>807,217</u>	<u>-</u>	<u>-</u>	<u>-</u>
Protective services:				
95100 Protective Services - Labor	-	-	-	-
95200 Protective Services - Other Contract Costs	39,154	-	-	-
95300 Protective Services - Other	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	88,076	-	-	-
95000 Total Protective Services	<u>127,230</u>	<u>-</u>	<u>-</u>	<u>-</u>
General expenses:				
96110 Property Insurance	-	-	-	-
96120 Liability Insurance	133,223	-	-	-
96130 Workmen's Compensation	442,239	-	-	-
96140 All Other Insurance	1,597	-	-	-
96100 Total insurance Premiums	<u>577,059</u>	<u>-</u>	<u>-</u>	<u>-</u>

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 REVENUE AND EXPENSE SUMMARY
 June 30, 2015

AMPS 14.850/872	Total MTW Programs	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program, Section 8 Moderate	14.182 N/C S/R Section 8 Programs	2 State/Local	14.870 Resident Opportunity and Supportive Services
\$ (30,395,195)	\$ (30,441,995)	\$ -	\$ -	\$ -	\$ -	\$ -
(446,457)	(446,457)	-	-	-	-	-
<u>(30,841,652)</u>	<u>(30,888,452)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	(294,669,693)	(169,126)	(1,082,942)	(5,860,137)	-	(390,227)
-	(12,261,543)	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(1,420,744)	(1,420,744)	-	-	-	(5,981,411)	-
(102,005)	(174,883)	-	(988)	(2,053)	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(15,778)	-	-	-	(1,740)	-
(2,409,751)	(5,031,837)	-	-	-	(1,954,699)	-
67,897	67,897	-	-	-	-	-
-	-	-	-	-	-	-
<u>(34,706,255)</u>	<u>(344,395,033)</u>	<u>(169,126)</u>	<u>(1,083,930)</u>	<u>(5,862,190)</u>	<u>(7,937,850)</u>	<u>(390,227)</u>
5,468,069	17,786,736	-	60,534	144,683	2,140,695	-
101,150	220,191	-	1,441	3,431	-	-
290,773	290,773	-	-	-	-	-
18,736	100,305	-	742	1,710	-	-
2,019,888	6,994,767	-	20,757	49,560	593,629	-
1,203,017	3,784,261	-	8,871	21,392	79,939	2,228
1,328,070	1,608,248	-	304	766	-	-
34,257	169,843	-	769	1,813	1,809	3,754
10,219,409	(701,254)	-	11,282	40,424	313,539	29,849
3,265,668	8,198,238	-	11,459	26,333	360,362	-
<u>23,949,037</u>	<u>38,452,108</u>	<u>-</u>	<u>116,159</u>	<u>290,112</u>	<u>3,489,973</u>	<u>35,831</u>
-	-	-	-	-	-	-
1,336,608	1,398,370	99,877	177	495	126,081	278,850
131,845	131,845	-	-	-	-	-
422,655	553,043	37,257	77	213	24,167	65,209
338,171	349,098	-	-	-	131,037	1,427
<u>2,229,279</u>	<u>2,432,356</u>	<u>137,134</u>	<u>254</u>	<u>708</u>	<u>281,285</u>	<u>345,486</u>
7,338,817	7,338,817	-	-	-	-	-
8,850,947	8,859,109	-	-	-	4,332	-
4,785,775	4,785,775	-	-	-	4,683	-
26,330	26,330	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,780,306	3,780,306	-	-	-	-	-
<u>24,782,175</u>	<u>24,790,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,015</u>	<u>-</u>
11,077,691	11,083,756	-	-	-	1,117,670	-
8,593,697	8,701,646	-	-	-	926,258	-
12,860,379	12,984,041	-	24	66	484,234	-
4,345,241	4,914,782	-	-	-	113,048	-
<u>36,877,008</u>	<u>37,684,225</u>	<u>-</u>	<u>24</u>	<u>66</u>	<u>2,641,210</u>	<u>-</u>
1,981,736	1,981,736	-	-	-	-	-
814,521	853,675	-	648	1,584	-	-
681	681	-	-	-	-	-
714,704	802,780	-	-	-	-	-
<u>3,511,642</u>	<u>3,638,872</u>	<u>-</u>	<u>648</u>	<u>1,584</u>	<u>-</u>	<u>-</u>
695,156	695,156	-	-	-	-	-
580,218	713,441	-	-	722	-	-
598,196	1,040,435	2,034	2,809	5,771	296,520	8,586
364,619	366,216	-	11	25	17,496	-
<u>2,238,189</u>	<u>2,815,248</u>	<u>2,034</u>	<u>2,820</u>	<u>6,518</u>	<u>314,016</u>	<u>8,586</u>

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 REVENUE AND EXPENSE SUMMARY
 June 30, 2015

Account Description	17.274 YouthBuild Program	I Business Activities	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.866 Revitalization of Severely Distressed Public Housing
REVENUE				
70300 Net Tenant Rental Revenue	\$ -	\$ (1,445,442)	\$ -	\$ -
70400 Tenant Revenue - Other	-	(40,416)	-	-
70500 Total Tenant Revenue	-	(1,485,858)	-	-
70600 HUD PHA Operating Grants	-	-	(1,011,485)	(835,126)
70610 Capital Grants	-	-	-	-
70710 Management Fee	-	-	-	-
70720 Asset Management Fee	-	-	-	-
70730 Book Keeping Fee	-	-	-	-
70740 Front Line Service Fee	-	-	-	-
70750 Other Fees	-	-	-	-
70700 Total Fee Revenue	-	-	-	-
70800 Other Government Grants	-	-	-	-
71100 Investment Income - Unrestricted	-	-	(1,336)	-
71200 Mortgage Interest Income	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-
71400 Fraud Recovery	-	-	-	-
71500 Other Revenue	(526,472)	(2,631,513)	-	-
71600 Gain or Loss on Sale of Capital Assets	-	-	-	-
72000 Investment Income - Restricted	-	-	-	-
70000 Total Revenue	(526,472)	(4,117,371)	(1,012,821)	(835,126)
EXPENSES				
Administrative:				
91100 Administrative Salaries	-	22,930	94,160	-
91200 Auditing Fees	-	-	2,233	-
91300 Management Fee	-	101,022	-	-
91310 Book-keeping Fee	-	-	-	-
91400 Advertising and Marketing	-	1,998	1,113	-
91500 Employee Benefit contributions - Administrative	-	5,455	32,254	-
91600 Office Expenses	1,237	32,268	13,923	-
91700 Legal Expense	-	259,845	499	-
91800 Travel	(362)	6,114	1,179	-
91810 Allocated Overhead	47,311	238,330	20,519	-
91900 Other	-	282,512	17,135	5,126
91000 Total Operating - Administrative	48,186	950,474	183,015	5,126
Tenant Services:				
92000 Asset Management Fee	-	-	-	-
92100 Tenant Services - Salaries	84,074	258,183	322	-
92200 Relocation Costs	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	21,101	80,767	141	-
92400 Tenant Services - Other	360,595	31,767	-	-
92500 Total Tenant Services	465,770	370,717	463	-
Utilities:				
93100 Water	-	150,969	-	-
93200 Electricity	-	80,696	-	-
93300 Gas	-	752	-	-
93400 Fuel	-	-	-	-
93500 Labor	-	-	-	-
93600 Sewer	-	-	-	-
93700 Employee Benefit Contributions - Utilities	-	-	-	-
93800 Other Utilities Expense	-	-	-	-
93000 Total Utilities	-	232,417	-	-
Ordinary maintenance and operations:				
94100 Ordinary Maintenance and Operations - Labor	-	-	-	-
94200 Ordinary Maintenance and Operations - Materials and Other	-	85,170	-	-
94300 Ordinary Maintenance and Operations Contracts	-	589,267	43	-
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-
94000 Total Maintenance	-	674,437	43	-
Protective services:				
95100 Protective Services - Labor	-	-	-	-
95200 Protective Services - Other Contract Costs	-	29,250	1,032	-
95300 Protective Services - Other	-	-	-	-
95500 Employee Benefit Contributions - Protective Services	-	-	-	-
95000 Total Protective Services	-	29,250	1,032	-
General expenses:				
96110 Property Insurance	-	18,821	-	-
96120 Liability Insurance	-	5,804	-	-
96130 Workmen's Compensation	2,132	7,666	4,225	-
96140 All Other Insurance	-	-	17	-
96100 Total insurance Premiums	2,132	32,291	4,242	-

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 REVENUE AND EXPENSE SUMMARY
 June 30, 2015

8 Other Federal Program 1	ELIM	HABC Proprietary Fund Total	Discretely Presented Component Unit	Fiduciary OPEB Trust and Pension Fund	Total
\$ -	\$ -	\$ (31,887,437)	\$ -	\$ -	\$ (31,887,437)
-	-	(486,873)	-	-	(486,873)
-	-	(32,374,310)	-	-	(32,374,310)
-	-	(304,018,736)	(156,143)	-	(304,174,879)
-	-	(12,261,543)	-	-	(12,261,543)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(7,402,155)	(325,052)	-	(7,727,207)
-	-	(179,260)	(1,709)	(1,828,814)	(2,009,783)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(17,518)	-	-	(17,518)
(20,000,000)	-	(30,144,521)	(813,322)	(14,659,898)	(45,617,741)
-	-	67,897	-	-	67,897
-	-	-	-	-	-
(20,000,000)	-	(386,330,146)	(1,296,226)	(16,488,712)	(404,115,084)
-	-	-	-	-	-
-	-	20,249,738	-	-	20,249,738
-	-	227,296	3,500	-	230,796
-	-	391,795	-	-	391,795
-	-	-	-	-	-
-	-	105,868	-	-	105,868
-	-	7,696,422	-	-	7,696,422
-	-	3,944,119	3,444	-	3,947,563
-	-	1,869,662	-	-	1,869,662
-	-	184,919	8,770	-	193,689
-	-	-	-	-	-
-	-	8,901,165	10,702	-	8,911,867
-	-	43,570,984	26,416	-	43,597,400
-	-	-	-	-	-
-	-	-	-	-	-
-	-	2,246,429	890,598	-	3,137,027
-	-	131,845	-	-	131,845
-	-	781,975	230,343	-	1,012,318
-	-	873,924	197,924	-	1,071,848
-	-	4,034,173	1,318,865	-	5,353,038
-	-	-	-	-	-
-	-	7,489,786	4,437	-	7,494,223
-	-	8,944,137	9,292	-	8,953,429
-	-	4,791,210	3,983	-	4,795,193
-	-	26,330	-	-	26,330
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3,780,306	-	-	3,780,306
-	-	25,031,769	17,712	-	25,049,481
-	-	-	-	-	-
-	-	12,201,426	-	-	12,201,426
-	-	9,713,074	-	-	9,713,074
-	-	14,057,675	389	-	14,058,064
-	-	5,027,830	-	-	5,027,830
-	-	41,000,005	389	-	41,000,394
-	-	-	-	-	-
-	-	1,981,736	-	-	1,981,736
-	-	886,189	355	-	886,544
-	-	681	-	-	681
-	-	802,780	-	-	802,780
-	-	3,671,386	355	-	3,671,741
-	-	-	-	-	-
-	-	713,977	-	-	713,977
-	-	719,967	4,311	-	724,278
-	-	1,370,178	-	-	1,370,178
-	-	383,765	-	-	383,765
-	-	3,187,887	4,311	-	3,192,198

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 REVENUE AND EXPENSE SUMMARY
 June 30, 2015

Account Description	14.881 Moving to Work Demonstration Program	HCV for MTW 14.HCV	LIPH for MTW 14.OPS	CFP for MTW 14.CFP
EXPENSES (continued)				
96200 Other General Expenses	\$ 35,830,021	\$ -	\$ -	\$ -
96210 Compensated Absences	422,923	-	-	-
96300 Payments in Lieu of Taxes	-	-	-	-
96400 Bad debt - Tenant Rents	-	-	-	-
96500 Bad debt - Mortgages	-	-	-	-
96600 Bad debt - Other	-	-	-	-
96800 Severance Expense	-	-	-	-
96000 Total Other General Expenses	<u>36,252,944</u>	<u>-</u>	<u>-</u>	<u>-</u>
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	2,643	-	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-
96700 Total Interest Expense and Amortization Cost	<u>2,643</u>	<u>-</u>	<u>-</u>	<u>-</u>
96900 Total Operating Expenses	<u>52,481,403</u>	<u>-</u>	<u>-</u>	<u>-</u>
97000 Excess of Operating Revenue over Operating Expenses	<u>49,723,861</u>	<u>(203,682,985)</u>	<u>(85,156,754)</u>	<u>(18,091,497)</u>
97100 Extraordinary Maintenance	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-
97300 Housing Assistance Payments	170,305,909	-	-	-
97350 HAP Portability-In	2,505,127	-	-	-
97400 Depreciation Expense	400,865	-	-	-
97500 Fraud Losses	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-
90000 A Total Other Expenses	<u>173,211,901</u>	<u>-</u>	<u>-</u>	<u>-</u>
90000 Total Expenses	<u>225,693,304</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing (Sources) Uses:				
10010 Operating Transfer In	(317,250,153)	-	-	-
10020 Operating transfer Out	103,669,121	203,682,985	85,156,754	18,091,497
10030 Operating Transfers from/to Primary Government	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-
10100 Total Other financing Sources (Uses)	<u>(213,581,032)</u>	<u>203,682,985</u>	<u>85,156,754</u>	<u>18,091,497</u>
10000 Excess (Deficiency) of Total Revenue Over (Under) Expenses	<u>\$ 9,354,730</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
11030 Beginning Equity	\$ 52,800,696	\$ -	\$ -	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Expenses	(9,354,730)	-	-	-
11040 Prior Period Adjust, equity transfers and Correction of Errors	(246,492)	-	-	-
11030 A Ending Equity	<u>\$ 43,199,474</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Memo Account Information				
11020 Required Annual Debt Principal Payments	\$ 83,009	\$ -	\$ -	\$ -
11050 Changes in Compensated Absence Balance	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-
11170 Administrative Fee Equity	-	-	-	-
11180 Housing Assistance Payments Equity	-	-	-	-
11190 Unit Months Available	179,038	-	-	-
11210 Number of Unit Months Leased	179,038	-	-	-
11270 Excess Cash	-	-	-	-
11610 Land Purchases	-	-	-	-
11620 Building Purchases	-	-	-	-
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 REVENUE AND EXPENSE SUMMARY
 June 30, 2015

AMPS 14.850/872	Total MTW Programs	14.871 Housing Choice Vouchers	14.856 Lower Income Housing Assistance Program Section 8 Moderate	14.182 N/C S/R Section 8 Programs	2 State/Local	14.870 Resident Opportunity and Supportive Services
\$ 1,178,916	\$ 37,008,937	\$ -	\$ 26	\$ 75,052	\$ 71,631	\$ -
1,064,438	1,487,361	1,063	3,075	7,220	(19,965)	324
207,149	207,149	-	-	-	-	-
985,578	985,578	-	-	-	-	-
-	-	-	-	-	-	-
650,441	650,441	-	-	-	-	-
-	-	-	-	-	-	-
<u>4,086,522</u>	<u>40,339,466</u>	<u>1,063</u>	<u>3,101</u>	<u>82,272</u>	<u>51,666</u>	<u>324</u>
-	-	-	-	-	-	-
3,201,117	3,203,760	-	-	-	2,846	-
-	-	-	-	-	-	-
<u>3,201,117</u>	<u>3,203,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,846</u>	<u>-</u>
-	-	-	-	-	-	-
<u>100,874,969</u>	<u>153,356,372</u>	<u>140,231</u>	<u>123,006</u>	<u>381,260</u>	<u>6,790,011</u>	<u>390,227</u>
-	-	-	-	-	-	-
<u>66,168,714</u>	<u>(191,038,661)</u>	<u>(28,895)</u>	<u>(960,924)</u>	<u>(5,480,930)</u>	<u>(1,147,839)</u>	<u>-</u>
-	-	-	-	-	-	-
969,141	969,141	-	-	-	-	-
665,642	665,642	-	-	-	-	-
-	170,305,909	-	939,503	5,530,084	-	-
-	2,505,127	-	-	-	-	-
30,660,338	31,061,203	-	-	-	51,233	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>32,295,121</u>	<u>205,507,022</u>	<u>-</u>	<u>939,503</u>	<u>5,530,084</u>	<u>51,233</u>	<u>-</u>
-	-	-	-	-	-	-
<u>133,170,090</u>	<u>358,863,394</u>	<u>140,231</u>	<u>1,062,509</u>	<u>5,911,344</u>	<u>6,841,244</u>	<u>390,227</u>
-	-	-	-	-	-	-
(92,708,238)	(409,958,391)	-	-	-	-	-
-	410,600,357	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(92,708,238)</u>	<u>641,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
<u>\$ 5,755,597</u>	<u>\$ 15,110,327</u>	<u>\$ (28,895)</u>	<u>\$ (21,421)</u>	<u>\$ 49,154</u>	<u>\$ (1,096,606)</u>	<u>\$ -</u>
-	-	-	-	-	-	-
\$ 404,674,733	\$ 457,475,429	\$ 109,792	\$ 560,368	\$ 601,553	\$ (2,811)	\$ -
(5,755,597)	(15,110,327)	28,895	21,421	(49,154)	1,096,606	-
<u>952,237</u>	<u>705,745</u>	<u>-</u>	<u>(126,568)</u>	<u>-</u>	<u>71,042</u>	<u>-</u>
<u>\$ 399,871,373</u>	<u>\$ 443,070,847</u>	<u>\$ 138,687</u>	<u>\$ 455,221</u>	<u>\$ 552,399</u>	<u>\$ 1,164,837</u>	<u>\$ -</u>
-	-	-	-	-	-	-
\$ 1,361,045	\$ 1,444,054	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	138,687	-	-	-	-
-	-	-	-	-	-	-
126,258	305,296	-	1,782	7,152	-	-
120,902	299,940	-	1,400	6,986	-	-
(8,728,658)	(8,728,658)	-	-	-	-	-
-	-	-	-	-	-	-
<u>12,261,544</u>	<u>12,261,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>4,815,876</u>	<u>4,815,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 REVENUE AND EXPENSE SUMMARY
 June 30, 2015

Account Description	17.274 YouthBuild Program	I Business Activities	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.866 Revitalization of Severely Distressed Public Housing
EXPENSES (continued)				
96200 Other General Expenses	\$ -	\$ 145,040	\$ 34	\$ -
96210 Compensated Absences	4,611	120,097	4,698	-
96300 Payments in Lieu of Taxes	-	121,303	-	-
96400 Bad debt - Tenant Rents	-	46,613	-	-
96500 Bad debt - Mortgages	-	-	-	-
96600 Bad debt - Other	-	1,150,425	-	-
96800 Severance Expense	-	-	-	-
96000 Total Other General Expenses	<u>4,611</u>	<u>1,583,478</u>	<u>4,732</u>	<u>-</u>
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	1,453	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-
96700 Total Interest Expense and Amortization Cost	<u>-</u>	<u>1,453</u>	<u>-</u>	<u>-</u>
96900 Total Operating Expenses	<u>520,699</u>	<u>3,874,517</u>	<u>193,527</u>	<u>5,126</u>
97000 Excess of Operating Revenue over Operating Expenses	<u>(5,773)</u>	<u>(242,854)</u>	<u>(819,294)</u>	<u>(830,000)</u>
97100 Extraordinary Maintenance	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	1,191	-	-
97300 Housing Assistance Payments	-	-	790,198	-
97350 HAP Portability-In	-	-	-	-
97400 Depreciation Expense	-	638,091	-	-
97500 Fraud Losses	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-
90000 A Total Other Expenses	<u>-</u>	<u>639,282</u>	<u>790,198</u>	<u>-</u>
90000 Total Expenses	<u>520,699</u>	<u>4,513,799</u>	<u>983,725</u>	<u>5,126</u>
Other Financing (Sources) Uses:				
10010 Operating Transfer In	-	(1,471,966)	-	-
10020 Operating transfer Out	-	-	-	830,000
10030 Operating Transfers from/to Primary Government	-	-	-	-
10040 Operating Transfers from/to Component Unit	-	-	-	-
10050 Proceeds from Notes, Loans and Bonds	-	-	-	-
10060 Proceeds from Property Sales	-	-	-	-
10070 Extraordinary Items, Net Gain/Loss	-	-	-	-
10080 Special Items (Net Gain/Loss)	-	-	-	-
10091 Inter Project Excess Cash Transfer In	-	-	-	-
10092 Inter Project Excess Cash Transfer Out	-	-	-	-
10093 Transfers between Program and Project - In	-	-	-	-
10094 Transfers between Project and Program - Out	-	-	-	-
10100 Total Other financing Sources (Uses)	<u>-</u>	<u>(1,471,966)</u>	<u>-</u>	<u>830,000</u>
10000 Excess (Deficiency) of Total Revenue Over (Under) Expenses	<u>\$ (5,773)</u>	<u>\$ (1,075,538)</u>	<u>\$ (29,096)</u>	<u>\$ -</u>
11030 Beginning Equity	\$ (5,773)	\$ 19,508,594	\$ 351,166	\$ -
10000 Excess (Deficiency) of Total Revenue Over (Under) Expenses	5,773	1,075,538	29,096	-
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-	(650,219)	-	-
11030 A Ending Equity	<u>\$ -</u>	<u>\$ 19,933,913</u>	<u>\$ 380,262</u>	<u>\$ -</u>
11020 Required Annual Debt Principal Payments	\$ -	\$ 18,293	\$ -	\$ -
11050 Changes in Compensated Absence Balance	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-
11070 Changes in Unrecognized Pension Transition Liability	-	-	-	-
11080 Changes in Special Term/Severance Benefits Liability	-	-	-	-
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts - Other	-	-	-	-
11170 Administrative Fee Equity	-	-	-	-
11180 Housing Assistance Payments Equity	-	-	-	-
11190 Unit Months Available	-	2,757	2,760	-
11210 Number of Unit Months Leased	-	2,558	1,822	-
11270 Excess Cash	-	-	-	-
11610 Land Purchases	-	-	-	-
11620 Building Purchases	-	-	-	-
11630 Furniture & Equipment - Dwelling Purchases	-	-	-	-
11640 Furniture & Equipment - Administrative Purchases	-	-	-	-
11650 Leasehold Improvements Purchases	-	-	-	-
11660 Infrastructure Purchases	-	-	-	-
13510 CFFP Debt Service Payments	-	-	-	-
13901 Replacement Housing Factor Funds	-	-	-	-

HOUSING AUTHORITY OF BALTIMORE CITY
 FINANCIAL DATA SCHEDULE
 REVENUE AND EXPENSE SUMMARY
 June 30, 2015

8 Other Federal Program 1	ELIM	HABC Proprietary Fund Total	Discretely Presented Component Unit	Fiduciary OPEB Trust and Pension Fund	Total
\$ -	\$ -	\$ 37,300,720	\$ -	\$ -	\$ 37,300,720
-	-	1,608,484	-	-	1,608,484
-	-	328,452	-	-	328,452
-	-	1,032,191	-	-	1,032,191
-	-	-	-	-	-
-	-	1,800,866	-	-	1,800,866
-	-	-	-	20,116,709	20,116,709
-	-	42,070,713	-	20,116,709	62,187,422
-	-	-	-	-	-
-	-	3,208,059	-	-	3,208,059
-	-	-	-	-	-
-	-	3,208,059	-	-	3,208,059
-	-	-	-	-	-
-	-	165,774,976	1,368,048	20,116,709	187,259,733
-	-	-	-	-	-
(20,000,000)	-	(220,555,170)	71,822	3,627,997	(216,855,351)
-	-	969,141	-	-	969,141
-	-	666,833	-	-	666,833
-	-	177,565,694	-	-	177,565,694
-	-	2,505,127	-	-	2,505,127
-	-	31,750,527	-	-	31,750,527
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	213,457,322	-	-	213,457,322
-	-	-	-	-	-
-	-	379,232,298	1,368,048	20,116,709	400,717,055
-	-	-	-	-	-
-	-	(411,430,357)	-	-	(411,430,357)
-	-	411,430,357	-	-	411,430,357
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(20,000,000)	-	(7,097,848)	71,822	3,627,997	(3,398,029)
-	-	-	-	-	-
\$ 20,000,000	\$ -	\$ 478,598,318	\$ 415,112	\$ 95,643,207	\$ 574,656,637
-	-	7,097,848	(71,822)	(3,627,997)	3,398,029
\$ 20,000,000	\$ -	\$ 485,696,166	\$ 343,290	\$ 92,015,210	\$ 578,054,666
\$ -	\$ -	\$ 1,462,347	\$ -	\$ -	\$ 1,462,347
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	138,687	-	-	138,687
-	-	-	-	-	-
-	-	319,747	-	-	319,747
-	-	312,706	-	-	312,706
-	-	(8,728,658)	-	-	(8,728,658)
-	-	-	-	-	-
-	-	12,261,544	-	-	12,261,544
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,815,876	-	-	4,815,876
-	-	-	-	-	-
-	-	-	-	-	-

HOUSING AUTHORITY OF BALTIMORE CITY
NOTES TO SUPPLEMENTAL INFORMATION
June 30, 2015

1. COMPENSATED ABSENCES

As permitted by HUD, management has allocated compensated absences between current and non-current liabilities. Management has allocated 70% of the total compensated absences to non-current for the FDS. Management believes that this allocation is reasonable and acceptable.

2. SECTION 8 UNITS AVAILABLE

For the calendar year 2015, HABC was awarded a funding of approximately 19,290 units for Section 8 HCV program which included MTW and non-MTW units. Including the moderate rehabilitation and new construction programs, a total of 190,732 available unit months for lease were reported for the fiscal year ending June 30, 2015.

3. ACTUAL CAPITAL FUND/ROSS PROGRAM COST CERTIFICATES

The authority closed several Capital Fund and ROSS grants during FY 2015. HUD approved each of the original budgets and the actual cost certificates submitted by HABC. Statements of the certifications of actual modernization costs for these closed programs are reported in the schedules following this page.

<u>Program</u>	<u>Grant Number</u>	<u>Grant Funds Expended</u>
CFP	MD00200000109R	\$ 5,600,000
CFP	MD00200000609R	\$ 3,700,000
ROSS	MD002RPS053A009	\$ 720,000
ROSS	MD002RFS121A013	\$ 69,000

**HOUSING AUTHORITY OF BALTIMORE CITY
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS –
 CAPITAL FUND PROGRAM (CFP)
 FOR THE YEAR ENDED JUNE 30, 2015**

	Public Housing Capital Fund Program MD00200000109R	Public Housing Capital Fund Program MD00200000609R
Funds Approved	\$5,600,000.00	\$3,700,000.00
Funds Expended	<u>\$5,600,000.00</u>	<u>\$3,700,000.00</u>
Excess of Funds Approved	-	-
Funds Advanced	\$5,600,000.00	\$3,700,000.00
Funds Expended	<u>\$5,600,000.00</u>	<u>\$3,700,000.00</u>
Excess of Funds Advanced	-	-

**HOUSING AUTHORITY OF BALTIMORE CITY
 STATEMENT AND CERTIFICATION OF PROGRAM COSTS –
 RESIDENT OPPORTUNITIES AND SUPPORT SERVICES (ROSS)
 FOR THE YEAR ENDED JUNE 30, 2015**

	ROSS Program MD002RPS053A009	ROSS Program MD002RFS121A013
Funds Approved	\$720,000.00	\$69,000.00
Funds Expended	<u>\$720,000.00</u>	<u>\$69,000.00</u>
Excess of Funds Approved	-	-
Funds Advanced	\$720,000.00	\$69,000.00
Funds Expended	<u>\$720,000.00</u>	<u>\$69,000.00</u>
Excess of Funds Advanced	-	-

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

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To the Board of Commissioners of the
Housing Authority of Baltimore City
Baltimore, Maryland

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the business-type activities, the discretely presented component unit and the fiduciary fund of the Housing Authority of Baltimore City (the Authority) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 23, 2016.

Internal Control over Financial Reporting

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

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

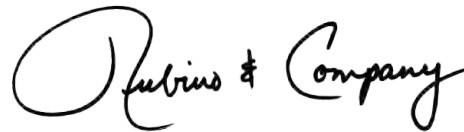
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style.

Bethesda, Maryland
February 23, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Board of Commissioners of the
Housing Authority of Baltimore City
Baltimore, Maryland

Report on Compliance for Each Major Federal Program

We have audited Housing Authority of Baltimore City's (the Authority) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2015. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of Baltimore City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

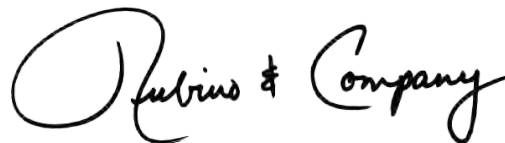
Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that were not identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Bethesda, Maryland
February 23, 2016

The image shows a handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style.

**HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2015**

<u>Federal and State Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Grant Expenditures</u>
<u>U.S. Department of Housing and Urban Development (HUD):</u>		
Direct Awards:		
Moving to Work Demonstration Program	14.881	\$306,931,236
HOPE VI - Urban Revitalization Program	14.866	835,126
Housing Choice Voucher (Non-MTW)	14.871	<u>169,126</u>
Section 8 Project-Based Cluster:		
Section 8 New Construction and Substantial Rehabilitation Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.182	5,860,137
Section 8 Moderate Rehabilitation Single Room Occupancy	14.856	1,082,942
	14.249	<u>1,011,485</u>
Total Section 8 Project-Based Cluster		<u>7,954,564</u>
Resident Opportunities Support Services (HABC & RSI)	14.870	<u>546,370</u>
TOTAL HUD FINANCIAL ASSISTANCE		<u>316,436,422</u>
Other Programs		
Youth Build	17.274	<u>61,998</u>
TOTAL DIRECT FINANCIAL ASSISTANCE		<u>316,498,420</u>
Passed through from the State of Maryland:		
<u>U.S. Department of Health and Human Services (HHS)</u>		
State of Maryland/DHR/DSS Child Day Care Centers	93.645	<u>281,175</u>
<u>U.S. Department of Agriculture (USDA)</u>		
State of Maryland/MSDE: Child and Adult Care Food Program	10.558	<u>33,120</u>
TOTAL STATE PASS-THROUGH FINANCIAL ASSISTANCE		<u>314,295</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS		<u>\$316,812,715</u>

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY TO BALTIMORE CITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2015

1. BASIS OF PRESENTATION

The schedule of expenditures of federal awards is presented using the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. FEDERAL COGNIZANT AGENCY

The federal cognizant agency for HABC is the U.S. Department of Housing and Urban Development (HUD).

3. FINDINGS AND QUESTIONED COSTS

Any findings and questioned costs identified in connection with the 2015 Single Audit would be disclosed in Schedule I and status of prior year findings and questioned costs would be disclosed in Schedule II.

HUD has conducted several reviews of HABC and has issued their reports on the results of some of these reviews. The Authority has responded to the reviews for which reports have been issued.

The accompanying notes are an integral part of the accompanying schedule.

**HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2015**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

- | | |
|--|------------|
| 1. Type of auditor’s report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material Weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | No |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|------------|
| 4. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | No |
| 5. Type of auditor’s report issued on compliance for major programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? | No |
| 7. Identification of Major Programs: | |

<u>Federal Grantor/Program Title</u>	<u>CFDA No.</u>		
U.S. Department of Housing and Urban Development (HUD):			
Moving to Work Demonstration Program	14.881	\$	306,931,236

- | | | |
|---|----|-----------|
| 8. Dollar threshold used to distinguish between Type A and Type B programs: | \$ | 3,000,000 |
| 9. Auditee qualified as low-risk auditee under OMB Circular A-133, section 530? | | Yes |

HOUSING AUTHORITY OF BALTIMORE CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2015

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

HOUSING AUTHORITY OF BALTIMORE CITY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2015

Finding 2014-001	Moving to Work Cluster, CFDA #14.881
Federal Agency:	U.S. Department of Housing and Urban Development
Compliance Requirement:	Eligibility, Reporting, Special Tests (inspections)
Type of Finding:	Noncompliance, Significant Deficiency

Condition/Context

Low Rent Public Housing Program

Testing of 40 tenant files for eligibility and PIC reporting purposes noted issues in 14 files including the following:

- 10 files did not properly document verification of income (including a review of the EIV report), income was calculated incorrectly, or tenant rent was calculated incorrectly. If HUD's EIV system was not reviewed, the Authority utilized alternative methods of 3rd party income verification.
- 2 files did not document the completion of the required reexamination of family income and composition in a timely manner.
- 7 reexaminations tested were not uploaded to the PIC website within 60 days of the effective date.

In addition to the issues noted in the tenant files, an internal control over compliance issue was noted relating to the Authority's new tenant maintenance software package. The software package allows the field for tenant rent to be changed manually with no supervisor approval or other override required.

Recommendation

Low Rent Public Housing Program

The Auditor recommends management review the EIV User Manual to determine which roles are appropriate for the Authority and provide access to at least 2 people per property to prevent delays in the future. In addition the Auditor recommends the Authority consider assigning global access to one or more supervisors. This would allow the Authority to comply with the documentation standards even in cases where property staff is on leave or the property is in the process of replacing staff.

The Auditor also recommended management review how often data is uploaded in PIC and consider adding other scheduled uploads to catch any late reexaminations.

HOUSING AUTHORITY OF BALTIMORE CITY
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
June 30, 2015

In addition, the Auditor recommended management immediately adjust the software settings related to tenant maintenance so any manual changes require a supervisor approval. If all income, asset and expense data is entered correctly with the proper allowances, the tenant rent will calculate correctly and no adjustment should be necessary.

Current Year Status

This finding was corrected in the current year. No similar findings were noted in the 2015 audit.



**BALTIMORE
HOUSING**

www.baltimorehousing.org

**Housing Authority of Baltimore City
Board of Commissioners**

Joseph L. Smith, **Chairman**
Robin D. Carter, **Vice Chair**
Shanelle England, **Commissioner**
Dr. Bowyer Freeman, **Commissioner**
Dominique S. Moore, Esq., **Commissioner**

Paul T. Graziano, **Executive Director**

Appendix E: Other HABC Housing

HABC-Owned ACC Units

Development	Total Units	Total ACC Units	ACC 0 BR's	ACC 1 BR's	ACC 2 BR's	ACC 3 BR's	ACC 4 BR's	ACC 5 BR's	ACC 6 BR's
Albemarle Square	327	130		11	31	80	8		
Arbor Oaks (Mt. Pleasant)	212	62		26	36				
Broadway Overlook	166	84		22	12	39	11		
Heritage Crossing **	260	75		6	22	39	8		
Hillside Park	94	30		1	29				
Monastery Gardens Apartments	37	11		2	5	4			
Montpelier's Choice (PH)	39	13		1	6	6			
Pleasant View Gardens	201	201		11	130	50	10		
Pleasant View Sr	110	110		110					
Poe Homes	288	288		138	124	26			
Terrace Garden Cooperative	88	47		46	1				
Townes at The Terraces	203	203			78	110	15		
Westhills Square	108	11		2	8	1			
Barclay Townhomes	72	53		39	5	5	2	2	
CHM	14	14			4	6	3		1
Homes of Arundel	58	58	2	1	7	40	8		
Midtown Apartments	35	35		7	17	11			
Renaissance at Reservoir Hill	64	40		12	9	13	5		1
Sharp-Leadenhall	31	23		2	7	7	7		
St. Ambrose	30	30		1	1	24	4		
Stricker Street Apartments	25	25		4	7	2	12		
Uptown Apartments	37	37		4	25	3	5		
TOTAL	2499	1580	2	446	564	466	98	2	2

Appendix E: Other HABC Housing

Long-Term Affordable Units for Bailey Consent Decree (Non-HABC Owned)

LTA-Bailey Development	Total Units	0 BR's	1 BR's	2 BR's	3 BR's	4 BR's	5 BR's	6 BR's
Barclay	30		22	5	3			
Bon Secours Gibbons	8			4	4			
Chapel Green	10		8		2			
Fells Point Station	8			3	5			
Lillian Jones	8			2	6			
Moravia Park	9		9					
Orchard Ridge	91		69	14	5	2	1	
Penn Square	16		12		4			
Poppleton	16		7	1	8			
North Avenue Gateway	5			5				
Reservoir Hill	15		11	3	1			
Sharp Leadenhall	5		5					
Uplands	6			4	2			
Key's Pointe Bailey Units	16		12	1	2	1		
*Key's Pointe (Non-Bailey Units)	23		2	10	11			
TOTAL	266		157	52	53	3	1	

* = Non-Bailey Units

Appendix H: Non-MTW Related Information
The Office of Resident Services
MTW Annual Report—Fiscal Year 2016

During FY 2016, the Office of Resident Services (ORS) continued to explore avenues to provide opportunities for economic and personal self-sufficiency to improve the overall quality of life for public housing and Housing Choice Voucher program families. The ORS mission is to “promote self-sufficiency and economic independence through services designed to build strong foundations and enhance the quality of life.”

Throughout the year, the ORS staff continued to focus on the ORS strategic goals to enable residents to achieve economic self-sufficiency by providing opportunities for employment, training and increased income, expanding initiatives to help improve the quality of life, helping elderly and persons with disabilities to live independently, providing supportive services through service coordination and crisis intervention to stabilize households to help improve the overall quality life, and assisting youth to live productive lives by obtaining skills and resources to help them prepare for the future.

Economic Self-Sufficiency is one of the major ORS strategic goals with emphasis on job readiness, placement and long term job retention efforts. Due to staff shortages, PACE did not meet its FY 2016 numeric goals for job placement; however, the wages for those who were assisted with jobs exceeded the overall hourly placement wage for Baltimore City overall (PACE--\$10.59; Baltimore City--\$10.07). The Family Self-Sufficiency program graduated 38 residents who averaged an escrow account payment of \$5,415. The average yearly wage for families who entered the program without employment was \$19,819. In addition to full-time employment, residents also achieved goals such as skills training home ownership training, financial literacy improvements, children entering college and the purchase of a car. Emphasis was placed on older youth (ages 18 to 24) obtaining employment and entering the work world.

Personal Self-Sufficiency is an equally important goal for ORS. Families are provided supportive services through service coordination and crisis intervention to stabilize households and help improve the overall quality of life for housing residents. In FY 2016, the families that received services numbered 2,245. Health screenings, assistance with poor housekeeping, rent eviction prevention, financial literacy and other services that eliminated barriers to success were among those provided.

ORS implemented a “cradle to career” continuum as a guide in delivering service to youth from birth to adulthood to achieve the long term goals for youth development and self-sufficiency. Direct funded services such as the Our House Early Head Start program served 98 families (mothers and their babies ages birth through age 2) and youth summer and after school programs served more than 300 youth in daily and week end programs. The 2016 youth summit heralded 200 youth. Youth were also encouraged to continue their secondary education by matriculating at a college. Five Rising Star scholarships were awarded to deserving students for a four-year period. All programs--whether direct funded or provided in coordination with community

partners—assure that youth reach adulthood with a plan to assist them to achieve economic self-sufficiency.

Vital services provided to the elderly and disabled residents enabled them to live independently and age in place. In FY 2016, the Congregate Housing and Services program served 21 residents with personal assistance and served over 1100 meals to residents of Bernard E. Mason. Fifteen (15) disabled residents returned to the work world as a result of Ticket-to-Work services.

The provision of high quality services and the ability to meet the ORS strategic goals is contingent upon obtaining funds. The Grants and Resource Development team secured \$3,938,325 in grants during FY 2016 for ORS. In addition, the team secured \$1,074,007 in grants using the non-profit vehicle of Resident Services, Inc. Technical assistance was given to tenant councils to build their capacity to secure funding for their projects.

The attached chart summarizes the accomplishments of the Office of Resident Services for FY 2016.

**Table 4:
Residents Served in Economic Self-Sufficiency Programs FY 2016**

Service Program Area	Served		
Employment Services People Accessing Continued Employment (PACE)		Projected	Actual
	Enrollment Total # Served	350	242
	Employment Services	700	2350
	Job Placements	250	201
	Average Hourly Wage	\$9.50	\$10.59
Youth Services		Projected	Actual
	Training	55	56
	Job Placements	30	44
	Average Hourly Wage	\$9.00	\$9.37
Family Self-Sufficiency		Projected	Actual
	Total families Served	525	541
	Graduates	30	38
	New Escrow Accounts	35	52
	Home Ownership Education Sessions Attended	30	28
	Financial Literacy Management Education Sessions Attended	40	40
	Job Training	18	18

**Table 5:
Residents Served in Support Service Programs FY 2016**

Service/Program Area	Projected # Residents Served	Actual # Served
Service Coordination Enrollments	1000	2245
Service Referrals	2900	3789
Congregate Housing Services Program	25	29
Our House Early Head Start program	40	98
Pre and Post Occupancy Training	500	542
Youth Services	250	1630

Appendix H: Non-MTW Related Information Information Technology FY 2016 Annual Plan Report

In support of the MTW Annual Plan, HABC's Information Technology Department undertook and/or completed the following initiatives in FY 2016:

HABC selected Emphasys Computer Solutions housing software, Elite for their Housing Enterprise Management System. The following modules went live on July 1, 2013, Low Income Public Housing (LIPH), the Public Housing Work Order module, and the Public Housing Waiting List. The Housing Choice Voucher Program went live on schedule; September 25, 2013.

In FY16 we focused our efforts on training and expanding the use of the system by offering the residents and landlords Web based online access, and handheld tablets.

With this new system we will be implementing the following Web Portals:

Web App – Web App is a web-based software solution that allows a HABC to present and gather pre-applications information anywhere there is an internet-connected computer or kiosk. The system interfaces with other modules within Elite, and helps HABC process more pre-applications and serve more clients without overwhelming the office staff or paper forms.

Status: This initiative is in review by the Low Income Public Housing (LIPH) Application department. Upon completion of revisions to the Admissions and Continued Occupancy Policies (ACOP) the Web App will be customized to comply with the provisions in the ACOP.

Web Applicant Portal - Applicant Portal will allow applicants to view relevant information over a secure login connection. This information includes days on waiting list, current address, family composition and current status. It also allows the applicant to request certain changes, such as changes in address, phone numbers, family composition, or waiting list applied for.

Status: This initiative was completed in FY2016.

Web Resident Portal - The Resident Portal allows secure access by current residents and participants to see relevant information over a secure connection. This includes tenant ledger information, inspections, re-certifications and to submit changes to the agency such as changes in income for review.

Status: This initiative is on hold until the all of the new Assets Managers are hired.

Web Landlord Portal - The Partner Portal system allows landlords to access their information over a secure Internet connection. Landlords can view such items as HAP registers by resident, status of inspections and re-inspections, up-coming re-certifications. Authority staff can also use the system for lookup purposes in terms of Landlord information, available units, etc. This system ties to the Elite database through a secure connection.

Status: This initiative was completed in FY 2016.

HABC has procured and implemented an Interactive Voice Response system (IVR) to accomplish the following tasks:

- Allow HABC to interact with our Waitlist clients to verify their information on file with us, such as the Wait List they applied for, name, and address. Also, provide a host of general information would normally be handled by a person.

Status: This initiative was completed in FY 2016.

We will install eight (8) Thin Clients Virtual Desktops (Kiosks) at 1225 W Pratt St in the lobby for Applicants and Residents in FY 2016. This will allow them to self-serve for the information they need. For example, they can update their address and family composition without filling out forms.

Status: This initiative was completed in FY 2016.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 4/30/2011

Part I: Summary		Grant Type and Number		FY of Grant	
PIIA Name:		Capital Fund Program Grant No		2010	
Housing Authority of Baltimore City		Date of CFP:		FY of Grant Approval:	
		MD06R00250210		2010	
Type of Grant		Revised Annual Statement (revision no:4)		Total Actual Cost ¹	
<input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: <u>JUNE 30, 2010</u>		<input checked="" type="checkbox"/> Revised Annual Statement (revision no:4) <input type="checkbox"/> Final Performance and Evaluation Report		Expended	
Line	Summary by Development Account	Total Estimated Cost	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465 1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495 1 Relocation Costs				
17	1492 Development Activities ⁴	\$2,934,122	\$2,934,122	\$2,934,122	\$ 644,596
18a	1501 Collateralization or Debt Service paid by the PHA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1503 Housing Assistance Payment				
20	Amount of Annual Grant (sum of lines 2 - 19)				
21	Amount of line 20 Related to LIBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security—Soft Costs				
24	Amount of line 20 Related to Security—Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PIAs with under 250 units in management may use 100% of CFP Grants for operations.
⁴ RHH: funds shall be included here.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 Expires 4/30/2011

Part I: Summary			
PHIA Name: Housing Authority of Baltimore City	Grant Type and Number Capital Fund Program Grant No _____ Date of CFFP: _____	Replacement Housing Factor Grant No _____	FFY of Grant: 2010 FFY of Grant Approval: 2010
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: June 30, 2016 <input checked="" type="checkbox"/> Summary by Development Account			
Line	Total Estimated Cost	Revised ?	Total Actual Cost¹
	Original	Obligated	Expended
Signature of Executive Director Paul T Graziano		Signature of Public Housing Director _____	
Date		Date	

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 Expires 4/30/2011

Part II: Supporting Pages		Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No:		CFPP (Yes/ No):		Federal FY of Grant: 2010		
PHIA Name: Housing Authority of Baltimore City	Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost	Funds Obligated ²	Funds Expended ²	Status of Work
	1492	Move to Work RHF Activities			Original \$2,934,122	Revised ¹ \$2,934,122	\$ 644,596	

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
² To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 Expires 4/30/2011

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: Housing Authority of Baltimore City	Federal FFY of Grant: 2010				Reasons for Revised Target Dates ¹
	Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)	
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
MTW RHF Activities	October 29, 2016	January 31, 2016	October 29, 2018	TBD	

¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 4/30/2011

Part I: Summary		Grant Type and Number		FY of Grant	
PIIA Name:		Capital Fund Program Grant No		2010	
Housing Authority of Baltimore City		Date of CFP:		FY of Grant Approval:	
		Replacement Housing Factor Grant No		2010	
		MD06R00250210			
Type of Grant		Revised Annual Statement (revision no:4)		Total Actual Cost ¹	
<input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: <u>JUNE 30, 2010</u>		<input checked="" type="checkbox"/> Revised Annual Statement (revision no:4) <input type="checkbox"/> Final Performance and Evaluation Report		Expended	
Line	Summary by Development Account	Total Estimated Cost	Revised ²	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
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9	1450 Site Improvement				
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11	1465 1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration				
16	1495 1 Relocation Costs				
17	1492 Development Activities ⁴	\$2,934,122	\$2,934,122	\$2,934,122	\$ 644,596
18a	1501 Collateralization or Debt Service paid by the PHIA				
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1503 Housing Assistance Payment				
20	Amount of Annual Grant (sum of lines 2 - 19)				
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24	Amount of line 20 Related to Security—Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

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³ PIAs with under 250 units in management may use 100% of CFP Grants for operations.
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Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 Expires 4/30/2011

Part I: Summary			
PHIA Name: Housing Authority of Baltimore City	Grant Type and Number Capital Fund Program Grant No _____ Date of CFFP: _____	Replacement Housing Factor Grant No _____	FFY of Grant: 2010 FFY of Grant Approval: 2010
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: June 30, 2016 <input checked="" type="checkbox"/> Summary by Development Account			
Line	Total Estimated Cost	Revised ?	Total Actual Cost¹
	Original	Obligated	Expended
Signature of Executive Director Paul T Graziano		Signature of Public Housing Director _____	
Date		Date	

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 Expires 4/30/2011

Part II: Supporting Pages											
PHA Name: Housing Authority of Baltimore City		Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No:				CFPP (Yes/ No):				Federal FY of Grant: 2010	
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work			
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²				
1492	Move to Work RHF Activities			\$2,934,122	\$2,934,122	\$2,934,122	\$ 644,596				

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
² To be completed for the Performance and Evaluation Report.

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: Housing Authority of Baltimore City					Federal FFY of Grant: 2010
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates ¹
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
MTW RHF Activities	October 29, 2016	January 31, 2016	October 29, 2018	TBD	

¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

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Part I: Summary

PHIA Name: **Housing Authority of Baltimore City**

Grant Type and Number: **Capital Fund Program Grant No MD06P00250111** Replacement Housing Factor Grant No _____

Date of CFFP: _____

FFY of Grant: **2011**

FFY of Grant Approval: **2011**

Line	Type of Grant <input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: June 30, 2016	Reserve for Disasters/Emergencies <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: June 30, 2016	Total Estimated Cost		Total Actual Cost ¹	
			Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds					
2	1406 Operations (may not exceed 20% of line 21) ³					
3	1408 Management Improvements					
4	1410 Administration (may not exceed 10% of line 21)					
5	1411 Audit					
6	1415 Liquidated Damages					
7	1430 Fees and Costs					
8	1440 Site Acquisition					
9	1450 Site Improvement					
10	1460 Dwelling Structures					
11	1465 1 Dwelling Equipment—Nonexpendable					
12	1470 Non-dwelling Structures					
13	1475 Non-dwelling Equipment					
14	1485 Demolition					
15	1492 Moving to Work Demonstration			\$8,641,270		\$8,641,270
16	1495 1 Relocation Costs					
17	1492 Development Activities ⁴			\$4,222,050		\$3,147,895
18a	1501 Collateralization or Debt Service paid by the PHIA			\$6,519,330		\$6,519,330
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment					
19	1503 Housing Assistance Payment					
20	Amount of Annual Grant. (sum of lines 2 - 19)			\$19,382,650		\$18,308,495
21	Amount of line 20 Related to LBP Activities					
22	Amount of line 20 Related to Section 504 Activities					
23	Amount of line 20 Related to Security - Soft Costs					
24	Amount of line 20 Related to Security - Hard Costs					
25	Amount of line 20 Related to Energy Conservation Measures					

¹ To be completed for the Performance and Evaluation Report
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement
³ PHIA's with under 250 units in management may use 100% of CFP Grants for operations
⁴ RHF funds shall be included here

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
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Part I: Summary		FFY of Grant: 2011	
PHIA Name: Housing Authority of Baltimore City	Grant Type and Number Capital Fund Program Grant No. MD06P00250111 Date of CFFP: _____	Replacement Housing Factor Grant No	
<input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: June 30, 2016		<input checked="" type="checkbox"/> Revised Annual Statement (revision no: 4) <input type="checkbox"/> Final Performance and Evaluation Report	
Line	Summary by Development Account	Total Estimated Cost	Total Actual Cost
		Original	Obligated
Signature of Executive Director Paul T. Graziano		Signature of Public Housing Director	
Date		Date	
		Expended	

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
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Part II: Supporting Pages

PHA Name: Housing Authority of Baltimore City	Grant Type and Number Capital Fund Program Grant No: MD06P00250111 CFFIP (Yes/No):		Federal FFY of Grant: 2011		Status of Work			
	Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity		Total Estimated Cost	Total Actual Cost	
					Original	Revised ¹	Funds Obligated ²	Funds Expended ²
1492	Move to Work Capital Activities				\$8,641,270	\$8,641,270	\$8,641,270	\$8,641,270
1492	Move to Work RHF Activities				\$4,222,050	\$4,222,050	\$3,147,895	\$3,147,895
1501	Move to Work Debt Service				\$6,519,330	\$6,519,330	\$6,519,330	\$6,519,330

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
² To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
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Part III: Implementation Schedule for Capital Fund Financing Program						
PHA Name: Housing Authority of Baltimore City	Federal FFY of Grant: 2011					
	Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates
Original Obligation End Date		Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date		
MTW Capital Activities	August 3, 2013	August 3, 2012	August 3, 2015	November 31, 2014		
MTW RHF Activities	October 29, 2016	TBD	October 29, 2018	TBD		
MTW Debt Service	August 3, 2013	August 3, 2012	August 3, 2015	November 31, 2014		

¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

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 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
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Part I: Summary

PHIA Name: **Housing Authority of Baltimore City**

Grant Type and Number: **Capital Fund Program Grant No MD06P00250112** Replacement Housing Factor Grant No _____

Date of CFFP: _____

FFY of Grant: **2012**

FFY of Grant Approval: **2012**

Line	Type of Grant <input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: June 30, 2016	Reserve for Disasters/Emergencies <input type="checkbox"/> Reserve for Disasters/Emergencies for Period Ending: June 30, 2016	Total Estimated Cost		Total Actual Cost ¹	
			Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds					
2	1406 Operations (may not exceed 20% of line 21) ³					
3	1408 Management Improvements					
4	1410 Administration (may not exceed 10% of line 21)					
5	1411 Audit					
6	1415 Liquidated Damages					
7	1430 Fees and Costs					
8	1440 Site Acquisition					
9	1450 Site Improvement					
10	1460 Dwelling Structures					
11	1465 1 Dwelling Equipment—Nonexpendable					
12	1470 Non-dwelling Structures					
13	1475 Non-dwelling Equipment					
14	1485 Demolition					
15	1492 Moving to Work Demonstration		\$7,163,669	\$7,163,669	\$7,163,669	\$7,163,669
16	1495 1 Relocation Costs					
17	1497 Development Activities ⁴		\$3,664,046	\$3,664,046	\$3,118,666	\$3,118,666
18a	1501 Collateralization or Debt Service paid by the PHIA		\$6,516,536	\$6,516,536	\$6,516,536	\$6,516,536
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment					
19	1503 Housing Assistance Payment					
20	Amount of Annual Grant (sum of lines 2 - 19)		\$17,344,251	\$17,344,251	\$16,798,871	\$16,798,871
21	Amount of line 20 Related to LBP Activities					
22	Amount of line 20 Related to Section 504 Activities					
23	Amount of line 20 Related to Security - Soft Costs					
24	Amount of line 20 Related to Security - Hard Costs					
25	Amount of line 20 Related to Energy Conservation Measures					

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.
⁴ RHF funds shall be included here.

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Part 1: Summary		FFY of Grant: 2012	
PIA Name: Housing Authority of Baltimore City	Grant Type and Number Capital Fund Program Grant No MD06P00250112 Date of CFFP	Replacement Housing Factor Grant No	
<input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Original Annual Statement and Evaluation Report for Period Ending: November 30, 2015 <input checked="" type="checkbox"/> Revised Annual Statement (revision no:3) <input type="checkbox"/> Final Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost	Total Actual Cost¹
		Original	Revised²
Signature of Executive Director Paul T. Graziano	Signature of Public Housing Director	Obligated	Expended
Date	Date	Date	

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 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

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Part II: Supporting Pages

PHA Name: Housing Authority of Baltimore City		Grant Type and Number Capital Fund Program Grant No: MD06P00250112			CFPP (Yes/ No):			Federal FY of Grant: 2012	
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work	
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²		
1492	Move to Work Capital Activities			\$7,163,669	\$7,163,669	\$7,163,669	\$7,163,669		
1492	Move to Work RHF Activities			\$3,664,046	\$3,664,046	\$3,118,666	\$3,118,666		
1501	Move to Work Debt Service			\$6,516,536	\$6,516,536	\$6,516,536	\$6,516,536		

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

² To be completed for the Performance and Evaluation Report.

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 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
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U.S. Department of Housing and Urban Development
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Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: Housing Authority of Baltimore City	Federal FFY of Grant: 2012				Reasons for Revised Target Dates ¹
	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		
Development Number Name/PHA-Wide Activities	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
MTW Capital Activities	March 12, 2014	December 31, 2013	March 12, 2016	January 31, 2016	
MTW RHF Activities	October 29, 2016	TBD	October 29, 2018	TBD	
MTW Debt Service	March 12, 2014	December 31, 2013	March 12, 2016	January 31, 2016	

¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

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 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
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Part I: Summary

PHIA Name: Housing Authority of Baltimore City	Grant Type and Number Capital Fund Program Grant No. MD06P00250113 Date of CFFP: _____	Replacement Housing Factor Grant No. _____	FFY of Grant: 2013 FFY of Grant Approval: 2013
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Line	Type of Grant <input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: <u>June 30, 2016</u>	<input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Revised Annual Statement (revision no:4) <input type="checkbox"/> Final Performance and Evaluation Report	Total Estimated Cost		Total Actual Cost ¹	
			Original	Revised ²	Obligated	Expended
1	Total non-CFP Funds					
2	1406 Operations (may not exceed 20% of line 21) ³					
3	1408 Management Improvements					
4	1410 Administration (may not exceed 10% of line 21)					
5	1411 Audit					
6	1415 Liquidated Damages					
7	1430 Fees and Costs					
8	1440 Site Acquisition					
9	1450 Site Improvement					
10	1460 Dwelling Structures					
11	1465 1 Dwelling Equipment - Nonexpendable					
12	1470 Non-dwelling Structures					
13	1475 Non-dwelling Equipment					
14	1485 Demolition					
15	1492 Moving to Work Demonstration		\$5,858,396	\$5,858,396	\$5,188,983	
16	1495 1 Relocation Costs					
17	1492 Development Activities ⁴		\$4,063,394	\$4,063,394	\$2,767,391	
18a	1501 Collateralization or Debt Service paid by the PHIA		\$6,517,686	\$6,517,686	\$6,517,686	
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment					
19	1503 Housing Assistance Payment					
20	Amount of Annual Grant. (sum of lines 2 - 19)		\$16,439,476	\$16,439,476	\$15,143,655	\$14,202,998
21	Amount of line 20 Related to LBP Activities					
22	Amount of line 20 Related to Section 504 Activities					
23	Amount of line 20 Related to Security - Soft Costs					
24	Amount of line 20 Related to Security - Hard Costs					
25	Amount of line 20 Related to Energy Conservation Measures					

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement
³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.
⁴ RHF funds shall be included here

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
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U.S. Department of Housing and Urban Development
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Part I: Summary		FFY of Grant: 2013	
PIIA Name: Housing Authority of Baltimore City	Grant Type and Number Capital Fund Program Grant No. MD06P00250113 Date of CFFP: _____	Replacement Housing Factor Grant No:	FFY of Grant Approval: 2013
Type of Grant <input type="checkbox"/> Original Annual Statement <input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: June 30, 2016	<input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Revised Annual Statement (revision no:4) <input type="checkbox"/> Final Performance and Evaluation Report	Total Actual Cost ¹	Expended
Line Summary by Development Account	Total Estimated Cost	Revised ²	Obligated
Signature of Executive Director Paul T. Graziano	Original	Signature of Public Housing Director	Date

Part II: Supporting Pages											
PHA Name: Housing Authority of Baltimore City		Grant Type and Number Capital Fund Program Grant No: MD06P00250113 CFFP (Yes/ No):				Federal FFY of Grant: 2013					
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work			
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²				
1492	Move to Work Capital Activities			\$5,858,396	\$5,858,396	\$5,858,396	\$5,188,993				
1492	Move to Work RHF Activities			\$4,063,394	\$4,063,394	\$2,767,391	\$2,496,319				
1501	Move to Work Debt Service			\$6,517,686	\$6,517,686	\$6,517,686	\$6,517,686				

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
² To be completed for the Performance and Evaluation Report.

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 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program**

**U.S. Department of Housing and Urban Development
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Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: Housing Authority of Baltimore City	Federal FFY of Grant: 2013				
	Development Number Name/PHA - Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)	
Original Obligation End Date		Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
MTW Capital Activities	September 9, 2015	June 30, 2015	September 9, 2017	TBD	
MTW RHF Activities	October 29, 2016	TBD	October 29, 2018	TBD	
MTW Debt Service	September 9, 2015	September 9, 2013	September 9, 2017	June 30, 2014	

¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

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 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
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Part I: Summary		Grant Type and Number		FFY of Grant:	
PHIA Name:		Capital Fund Program Grant No MDO6P00250114 Replacement Housing Factor Grant No		2014	
Housing Authority of Baltimore City		Date of CFFP:		FFY of Grant Approval:	
Type of Grant		Reserve for Disasters/Emergencies		Total Actual Cost ¹	
Original Annual Statement		Revised Annual Statement (revision no:3)		Obligated	
Performance and Evaluation Report for Period Ending: June 30, 2016		Final Performance and Evaluation Report		Expended	
Line	Summary by Development Account	Total Estimated Cost	Revised ²	Total Actual Cost ¹	Expended
1	Total non-CFF Funds				
2	1406 Operations (may not exceed 20% of line 21) ³				
3	1408 Management Improvements				
4	1410 Administration (may not exceed 10% of line 21)				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465 1 Dwelling Equipment - Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work Demonstration	\$10,644,732	\$10,644,732	\$10,644,732	\$8,578,867
16	1495 1 Relocation Costs				
17	1492 Development Activities ⁴	\$2,800,541	\$2,800,541	\$2,800,541	\$649,345
18a	1501 Collateralization or Debt Service paid by the PHIA	\$3,813,171	\$3,813,171	\$3,813,171	\$3,813,171
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment				
19	1503 Housing Assistance Payment				
20	Amount of Annual Grant: (sum of lines 2 - 19)	\$17,258,444	\$17,258,444	\$17,258,444	\$13,041,383
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				

¹ To be completed for the Performance and Evaluation Report

² To be completed for the Performance and Evaluation Report or a Revised Annual Statement

³ PHIA's with under 250 units in management may use 100% of CFFP Grants for operations

⁴ RHIF funds shall be included here

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
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Part I: Summary		FFY of Grant: 2014	
PHA Name: Housing Authority of Baltimore City	Grant Type and Number Capital Fund Program Grant No. MD06P00250114 Date of CFFP: _____	Replacement Housing Factor Grant No: _____	
<input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Original Annual Statement and Evaluation Report for Period Ending: June 30, 2016 <input checked="" type="checkbox"/> Revised Annual Statement (revision no: 3) and Evaluation Report <input type="checkbox"/> Final Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost	Total Actual Cost¹
	Original	Revised ²	Obligated
Signature of Executive Director Paul T. Graziano		Signature of Public Housing Director _____	
Date		Date	
		Expended	

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 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
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Part II: Supporting Pages

PHA Name: Housing Authority of Baltimore City		Grant Type and Number Capital Fund Program Grant No: MD06P00250114 CFFP (Yes/ No):			Federal FFY of Grant: 2014			
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
1492	Move to Work Capital Activities			\$10,644,732	\$10,644,732	\$10,644,732	\$8,578,867	
1492	Move to Work RHF Activities			\$2,800,541	\$2,800,541	\$2,800,541	\$649,345	
1501	Move to Work Debt Service			\$3,813,171	\$3,813,171	\$3,813,171	\$3,813,171	

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
² To be completed for the Performance and Evaluation Report.

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 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
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Part III: Implementation Schedule for Capital Fund Financing Program						
PHA Name: Housing Authority of Baltimore City	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Federal FFY of Grant: 2014 Reasons for Revised Target Dates ¹	
	Development Number Name/PHA-Wide Activities	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date		Actual Expenditure End Date
	MTW Capital Activities	May 13, 2016	February 8, 2016	May 13, 2018		TBD
MTW RHF Activities	October 29, 2016	June 1, 2016	October 29, 2018	TBD		
MTW Debt Service	May 13, 2016	May 1, 2014	May 13, 2018	June 30, 2015		

¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

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 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
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Part I: Summary		Grant Type and Number Capital Fund Program Grant No: MD06P00250115 Replacement Housing Factor Grant No		FFY of Grant: 2015
PIIA Name: Housing Authority of Baltimore City		Date of CFFP:		FFY of Grant Approval: 2015
Type of Grant		<input checked="" type="checkbox"/> Revised Annual Statement (revision no: 7)		
<input type="checkbox"/> Original Annual Statement		<input type="checkbox"/> Reserve for Disasters/Emergencies		
<input checked="" type="checkbox"/> Performance and Evaluation Report for Period Ending: June 30, 2016		<input type="checkbox"/> Final Performance and Evaluation Report		
Line	Summary by Development Account	Total Estimated Cost	Revised #	Total Actual Cost¹
1	Total non-CFF Funds			Expended
2	1406 Operations (may not exceed 20% of line 21) ³			
3	1408 Management Improvements			
4	1410 Administration (may not exceed 10% of line 21)			
5	1411 Audit			
6	1415 Liquidated Damages			
7	1430 Fees and Costs			
8	1440 Site Acquisition			
9	1450 Site Improvement			
10	1460 Dwelling Structures			
11	1465 1 Dwelling Equipment—Nonexpendable			
12	1470 Non-dwelling Structures			
13	1475 Non-dwelling Equipment			
14	1485 Demolition			
15	1492 Moving to Work Demonstration	\$14,640,549	\$14,726,153	\$4,305,762
16	1495 1 Relocation Costs			
17	1492 Development Activities ⁴	\$ 2,204,430	\$ 2,204,430	\$0
18a	1501 Collateralization or Debt Service paid by the PIIA			
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment			
19	1503 Housing Assistance Payment	\$ 662,635	\$ 577,031	\$ 308,774
20	Amount of Annual Grant (sum of lines 2 – 19)	\$17,507,614	\$17,507,614	\$4,612,537
21	Amount of line 20 Related to LBP Activities			
22	Amount of line 20 Related to Section 504 Activities			
23	Amount of line 20 Related to Security – Soft Costs			
24	Amount of line 20 Related to Security – Hard Costs			
25	Amount of line 20 Related to Energy Conservation Measures			

¹ To be completed for the Performance and Evaluation Report
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement
³ PIAs with under 250 units in management may use 100% of CFF Grants for operations
⁴ RIJF funds shall be included here

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
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Part I: Summary			
PHA Name: Housing Authority of Baltimore City	Grant Type and Number Capital Fund Program Grant No MD06P00250115 Date of CFFP	Replacement Housing Factor Grant No	FFY of Grant: 2015 FFY of Grant Approval: 2015
<input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Original Annual Statement and Evaluation Report for Period Ending: June 30, 2016 <input checked="" type="checkbox"/> Revised Annual Statement (revision no: 7) <input type="checkbox"/> Final Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost	Total Actual Cost
		Original	Revised
		Obligated	Expended
Signature of Executive Director Paul T. Graziano		Signature of Public Housing Director	
Date		Date	

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Part II: Supporting Pages										
PHA Name: Housing Authority of Baltimore City		Grant Type and Number Capital Fund Program Grant No: MD06P00250115			CFFP (Yes/ No):			Federal FY of Grant: 2015		
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work		
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²			
1492	Move to Work Capital Activities			\$14,640,549	\$14,726,153	\$10,949,998	\$4,305,762			
1492	Move to Work RHF Activities			\$2,204,430	\$2,204,430	0	0			
1503	Housing Assistance Payment			\$662,635	\$577,031	\$577,031	\$306,774			
	(Breakdown of RAD Subsidy below:)									
MD002000033	Lakeview Towers (RAD			\$27,479	\$27,480	\$27,480	\$27,480			
MD002000044	Wyman House			\$183,254	\$183,254	\$183,254	\$71,429			
MD002000051	Bernard E. Mason, Sr., Apt.			\$22,120	\$22,121	\$22,121	\$22,121			
MD002000054	Bel-Park Tower			\$23,325	\$23,325	\$23,325	\$23,325			
MD002000056	The Brentwood			\$166,157	\$166,157	\$166,157	\$55,384			
MD002000074	Hollins House			\$13,060	\$13,060	\$13,060	\$13,060			
MD002000075	Allendale			\$16,547	\$16,548	\$16,548	\$16,548			
MD002000071	Primrose Place			\$125,086	\$125,086	\$125,086	\$35,801			
MD002000110	Pleasant View Gardens (Family)			\$59,538						
MD002000110	Pleasant View Gardens (Senior)			\$26,066						

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
² To be completed for the Performance and Evaluation Report.

Part III: Implementation Schedule for Capital Fund Financing Program					
PHA Name: Housing Authority of Baltimore City					Federal FFY of Grant: 2015
Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Reasons for Revised Target Dates ¹
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date	
MTW Capital Activities	April 12, 2017	TBD	April 12, 2019	TBD	
MTW RHF Activities	April 12, 2017	TBD	April 12, 2019	TBD	
Housing Assistance Payment	April 12, 2017	TBD	April 12, 2019	TBD	

¹ Obligation and expenditure end date can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 4/30/2011

Part I: Summary

PHIA Name: **Housing Authority of Baltimore City**

Grant Type and Number: **Capital Fund Program Grant No MD06P00250116** Replacement Housing Factor Grant No _____

Date of CFPP: _____

FFY of Grant: **2016**

FFY of Grant Approval: **2016**

Line	Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending:	Reserve for Disasters/Emergencies <input type="checkbox"/> Reserve for Disasters/Emergencies <input type="checkbox"/> Performance and Evaluation Report for Period Ending:	Total Estimated Cost		Revised ²	Obligated	Total Actual Cost ¹
			Original	Revised ²			
1	Total non-CFP Funds						
2	1406 Operations (may not exceed 20% of line 21) ³						
3	1408 Management Improvements						
4	1410 Administration (may not exceed 10% of line 21)						
5	1411 Audit						
6	1415 Liquidated Damages						
7	1430 Fees and Costs						
8	1440 Site Acquisition						
9	1450 Site Improvement						
10	1460 Dwelling Structures						
11	1465 1 Dwelling Equipment—Nonexpendable						
12	1470 Non-dwelling Structures						
13	1475 Non-dwelling Equipment						
14	1485 Demolition						
15	1492 Moving to Work Demonstration			\$14,965,906		\$ 1,458,864	
16	1495 1 Relocation Costs						
17	1492 Development Activities ⁴			\$ 1,756,459			
18a	1501 Collateralization or Debt Service paid by the PHIA						
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment						
19	1503 Housing Assistance Payment						
20	Amount of Annual Grant. (sum of lines 2 - 19)			\$ 85,604		\$ 85,604	
21	Amount of line 20 Related to LBP Activities			\$16,807,969		\$ 1,544,468	
22	Amount of line 20 Related to Section 504 Activities						
23	Amount of line 20 Related to Security - Soft Costs						
24	Amount of line 20 Related to Security - Hard Costs						
25	Amount of line 20 Related to Energy Conservation Measures						

¹ To be completed for the Performance and Evaluation Report
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement
³ PHAs with under 250 units in management may use 100% of CFP Grants for operations
⁴ RIIF funds shall be included here

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 Expires 4/30/2011

Part I: Summary					
PHIA Name: Housing Authority of Baltimore City		Grant Type and Number Capital Fund Program Grant No MD06P00250116 Date of CFFP: _____		Replacement Housing Factor Grant No FFY of Grant: 2016 FFY of Grant Approval: 2016	
Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending:		<input checked="" type="checkbox"/> Revised Annual Statement (revision no: 1) <input type="checkbox"/> Final Performance and Evaluation Report			
Reserve for Disasters/Emergencies <input type="checkbox"/> Reserve for Disasters/Emergencies					
Summary by Development Account		Total Estimated Cost		Total Actual Cost ¹	
		Original		Revised ¹	
Signature of Executive Director Paul T. Graziano		Signature of Public Housing Director		Date	
		Obligated		Expended	

Annual Statement/Performance and Evaluation Report
 Capital Fund Program, Capital Fund Program Replacement Housing Factor and
 Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 Expires 4/30/2011

Part II: Supporting Pages										
PHA Name: Housing Authority of Baltimore City			Grant Type and Number Capital Fund Program Grant No: MD06P00250116			CFFP (Yes/No):		Federal FFY of Grant: 2016		
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work		
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²			
1492	Move to Work Capital Activities			\$15,051,510	\$14,965,906	\$	1,458,864	0		
1492	Move to Work RHF Activities			\$ 1,756,459	\$ 1,756,459		0	0		
1503	Housing Assistance Payment			0	\$ 85,604	\$	85,604	0		
	(Breakdown of RAD Subsidy below:)									
MD002000110	Pleasant View Gardens (Family)			0	\$59,538		\$59,538	0		
MD002000110	Pleasant View Gardens (Senior)			0	\$26,066		\$26,066	0		

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
² To be completed for the Performance and Evaluation Report.

Part III: Implementation Schedule for Capital Fund Financing Program							
PHA Name: Housing Authority of Baltimore City Development Number Name/PHA-Wide Activities	All Fund Obligated (Quarter Ending Date)		All Funds Expended (Quarter Ending Date)		Federal FFY of Grant: 2016 Reasons for Revised Target Dates ¹		
	Original Obligation End Date	Actual Obligation End Date	Original Expenditure End Date	Actual Expenditure End Date			
MTW Capital Activities	April 13, 2018	TBD	April 13, 2020	TBD			
MTW RHF Activities	April 13, 2018	TBD	April 13, 2020	TBD			
Housing Assistance Payment	April 13, 2018	TBD	April 13, 2020	TBD			

¹ Obligation and expenditure end dated can only be revised with HUD approval pursuant to Section 9j of the U.S. Housing Act of 1937, as amended.

**APPENDIX J:
Waiting List Demographics**

BEDROOM SIZE*	LIPH		S8		Both		Total	%
	Total	%	Total	%	Total	%		
0	2	0%	23,170	76%	1	0%	23,172	40%
1	18,421	66%	3,841	13%	3,190	59%	22,262	38%
2	6,953	25%	2,691	9%	1,661	31%	9,644	17%
3	2,271	8%	604	2%	499	9%	2,875	5%
4	349	1%	47	0%	85	2%	396	1%
5	8	0%	8	0%	0	0%	16	0%
6	8	0%	0	0%	0	0%	8	0%
Total *	28,012	100%	30,361	100%	5,436	100%	58,373	100%

* = Applicants may have been counted more than once because they might have applied for multiple programs with different bedroom sizes

RACE**	LIPH		S8		Both		Total	%
	Total	%	Total	%	Total	%		
American Indian/Alaska	71	0%	181	1%	18	0%	252	0%
Asian	80	0%	69	0%	13	0%	149	0%
Black/African American	25,645	92%	27,509	93%	5,034	93%	53,154	92%
Native Hawaiian/Other Pacific	122	0%	86	0%	21	0%	208	0%
Other	290	1%	176	1%	36	1%	466	1%
White	1,637	6%	1,712	6%	280	5%	3,349	6%
Total **	27,845	100%	29,733	100%	5,402	100%	57,578	100%

** = The applicants are only counted once.

HH TYPE**	LIPH		S8		Both		Total	%
	Total	%	Total	%	Total	%		
Elderly	1,955	7%	1,569	5%	315	6%	3,524	6%
NonElderly Disabled	9,439	34%	5,981	20%	2,167	40%	15,420	27%
Other	16,451	59%	22,183	75%	2,920	54%	38,634	67%
Total **	27,845	100%	29,733	100%	5,402	100%	57,578	100%

** = The applicants are only counted once.

ETHNICITY**	LIPH		S8		Both		Total	%
	Total	%	Total	%	Total	%		
Hispanic or Latino	309	1%	520	2%	63	1%	829	1%
Not Hispanic or Latino	27,285	98%	29,151	98%	5,334	99%	56,436	98%
Other	251	1%	62	0%	5	0%	313	1%
Total **	27,845	100%	29,733	100%	5,402	100%	57,578	100%

** = The applicants are only counted once.

**APPENDIX J:
Waiting List Demographics**

INCOME**	LIPH		S8		Both		Total	%
	Total	%	Total	%	Total	%		
Below 30%	26,840	96%	28,781	97%	5,207	96%	55,621	97%
30% to 50%	921	3%	829	3%	179	3%	1,750	3%
50% to 80%	71	0%	109	0%	14	0%	180	0%
Over 80%	13	0%	14	0%	2	0%	27	0%
Total **	27,845	100%	29,733	100%	5,402	100%	57,578	100%
** = The applicants are only counted once.								
APPLICANTS SERVED** (HOUSEHOLDS)	LIPH		S8		Both		Total	%
	Total	%	Total	%	Total	%		
1	15,316	55%	19,362	65%	2,584	48%	34,678	60%
2	7,047	25%	5,540	19%	1,555	29%	12,587	22%
3	3,240	12%	2,666	9%	750	14%	5,906	10%
4	1,378	5%	1,288	4%	297	5%	2,666	5%
5	570	2%	573	2%	143	3%	1,143	2%
6	200	1%	216	1%	59	1%	416	1%
7	64	0%	57	0%	9	0%	121	0%
8	19	0%	20	0%	5	0%	39	0%
9	5	0%	8	0%	0	0%	13	0%
10	4	0%	3	0%	0	0%	7	0%
11	1	0%	0	0%	0	0%	1	0%
13	1	0%	0	0%	0	0%	1	0%
Total **	27,845	100%	29,733	100%	5,402	100%	57,578	100%

**** = The applicants are only counted once.**

APPENDIX J:
Waiting List Demographics