

BUFFALO FISCAL STABILITY AUTHORITY
Buffalo Municipal Housing Authority's 2024-25 Third Quarter Analysis

Introduction

The following is the Buffalo Fiscal Stability Authority's third-quarter report analysis.

The Buffalo Municipal Housing Authority (BMHA) issued its 2024-25 third-quarter report on April 1, 2025. It includes the BMHA's current fiscal year (CFY) financial results as of March 31, 2025 (Q3 2025) and details various budget-to-date budgetary variances.

Key Findings

- The BMHA is operating within its Consolidated Adopted Budget overall as of Q3 2025.
 - Revenues totaled \$47.3 million (79.2% of budget)
 - Expenses totaled \$45.7 million (78.9% of budget)
- The Asset Management Project (AMP) budget recorded an additional unbudgeted \$2.0 million in All Other Revenues.
 - BMHA transferred ownership of Fosdick Field to the Buffalo City School District (BCSD) for \$2.05 million. The four-acre lot was purchased from the BCSD in 1977 and was used by BMHA's defunct Woodson Gardens public housing unit (demolished in 2013). The BCSD's City Honors High School will utilize it as an athletic field and green space.
- The 2024-25 Marine Drive Apartments (Marine Drive) budget was not balanced as adopted. Budgeted expenses exceeded estimated revenues by \$0.2 million. As of Q3 2025, actual expenses were considerably higher than initially budgeted. The net operating loss at Q3 2025 was \$1.1 million, with total expenses at 113% of budget (\$0.5 million).
 - This loss was \$1.0 million higher than anticipated, attributed to:
 1. General Expenses (\$0.3 million), including both property and liability insurance payments,
 2. Maintenance expenses (\$0.6 million),
 3. Administration expenses (\$0.3 million), and
 4. Utility expenses (\$0.3 million).
 - Marine Drive revenues were favorable by \$0.5 million as rental receipts exceeded the budget-to-date amounts by \$0.5 million. This offset some of the cumulative \$1.5 million unfavorable expenses.
- BMHA had a 17.2% employee vacancy rate as of March 31, 2025 (27 vacant positions). The vacancy rate was the most pronounced within the Capital Improvements department (42.9% vacant). The Asset Management department had eighteen vacant positions (16.4% vacancy).

Significant Current Fiscal-Year Events

On September 19, 2024, the BMHA Board of Commissioners approved Resolution No. 2024.9.19.3, “To Approve a Rent Increase at the Marine Drive Apartments for the Property Fiscal Year Ending Budget March 31, 2025, Along with the Required New York State HCR Forms.” The Marine Drive Apartments have sustained operating losses in the last three fiscal years totaling over \$1.2 million, including \$654,223 in 2023-24 (unaudited). BMHA projects that Marine Drive Apartments would end the CFY with an additional \$0.5 million operating loss without the rent increase. As of Q3 2025, this increase had not yet been approved by the New York State Homes and Community Renewal (NYSHCR).

BMHA secured seventy-two Section 8 Project-Based Vouchers (PBVs) from the NYSHCR agency to minimize the impact of the rental increases on extremely low-income families, as defined by Section 3 of the HUD Act of 1968 (12 U.S.C § 1701u) and its associated regulations (24 C.F.R. Part 75). Residents in PBV units would pay 30% of their income towards rent. The remainder of the residents would see an average monthly rent increase of \$50.

On October 17, 2024, BMHA’s Executive Director provided BMHA’s annual update. This included the following:

- **Redevelopment:**
 - Commodore Perry Homes – closed April 2024 with demolitions and new construction underway.
 - Marine Drive Apartments – new construction borrowing is anticipated to close in July or August 2025.
 - Shaffer Village – redevelopment plan finalized with new construction borrowing anticipated to close in late 2025 or early 2026.
 - Frederick Douglass 2 – currently housing 44 families, with approximately 33% of the new construction completed.
- FYE 2024 results (unaudited):
 - Consolidated revenues exceeded consolidated expenses by \$3.2 million.
 - AMP revenues exceeded AMP expenses by \$4.4 million.
 - Section 8 revenues equaled Section 8 expenses.
 - Central Office Cost Center (COCC) expenses exceeded COCC revenues by \$0.4 million.
 - Marine Drive expenses exceeded Marine Drive revenues by \$0.8 million.

On February 20, 2025, BMHA’s Board of Commissioners approved BMHA Res. No. 2025.2.20.4, “To Approve Significant Amendment to the Buffalo Municipal Housing Authority’s 2024 Annual Agency Plan and Submission of an Inventory Removal Application with the Department of Housing and Urban Development’s Special Application Center.”

- The amendments were necessary to incorporate requirements and regulations associated with the transfer of assistance conversion from A.D. Price Courts to PBVs under the Rental Assistance Demonstration (RAD) of HUD at the Marine Drive Phase I new construction redevelopment property.

- To finalize the conversion, a financial plan must be submitted to HUD, which includes the provision to incorporate RAD PBV requirements and regulations in the form of policies of the BMHA. These policies and requirements will be mandated in the Marine Drive Phase I redevelopment transaction.
 - A total of 105 out of the 170 units at A.D. Price Courts will be transferred to the Marine Drive Phase I transaction.
 - The remaining 65 units at A. D. Price Courts will be addressed in the future.

On April 8, 2025, the BMHA submitted its FY 2025-26 Adopted Budget and FY 2026-2029 Consolidated Financial Plan to the BFSA. The Adopted Budget contained a net income of \$1.4 million. The three out-years of the Financial Plan included net income ranging from \$1.6 million to \$3.2 million. BMHA projected a cumulative, four-year positive cash impact of \$4.2 million after reducing net income for the impact of principal debt payments and adding back the annual \$1.0 million non-cash OPEB accrual.

- The 2026-2029 AMP Financial Plan and 2026-2029 Section 8 adopted budgets and financial plans are balanced.
- The 2026-2029 Marine Drive Apartment Adopted Budget and Financial Plan and the COCC 2026-2029 Financial Plan are not operationally balanced. The BFSA Board of Directors required that BMHA develop a financial gap-closing plan to address these operational deficits. The gap-closing plan is particularly important as the Marine Drive Apartments has had operating deficits in 2021-22, 2022-23, and 2023-24, will very likely have a significant operating deficit in the CFY, and has a cumulative four-year net operating loss of \$1.7 million from 2025-26 through 2028-29.

On April 17, 2025, BMHA’s Board of Commissioners approved BMHA Res. No. 2025.04.17.3, “Resolution Authorizing the Formation of a SLIHC Corp. in Furtherance of the First Phase of the Redevelopment of the Marine Drive Apartments.

- The resolution authorizes the BMHA to authorize Bridges Development, Inc. (Bridges), to form a New York State Low Income Housing Corporation (SLIHC) to facilitate phase 1 of the Marine Drive Apartment redevelopment.
- The SLIHC Corp. will be a wholly-owned direct or indirect subsidiary of Bridges, to potentially obtain a greater amount of New York State (NYS) Low Income Housing Tax Credits (LIHTC) Phase I financing.

2024-25 Consolidated Adopted Budget Summary

The City of Buffalo (City) submitted Buffalo Municipal Housing Authority’s fiscal year (FY) 2024-25 Consolidated Adopted Budget (Adopted Budget) to the BFSA on May 1, 2024. The Adopted Budget includes the 2024-25 Consolidated Adopted Budget (Consolidated Adopted Budget) in addition to the individual budgets for the combined twenty-two AMPs, the COCC, Marine Drive, and the U.S. Housing and Urban Development (HUD) Housing Choice Voucher Program (Section 8). The BMHA Board of Commissioners approved the Adopted Budget on April 18, 2024.

The Consolidated Adopted Budget is balanced overall. It includes \$1.7 million in net operating income (i.e., before the outstanding debt principal payment). The cash impact is \$1.2 million after factoring in debt service principal payments and removing the non-cash other post-employment benefits (OPEB) accrual. Individual segments within the Consolidated Budget do not have balanced budgets, including the COCC Adopted Budget and the Marine Drive Adopted Budget. The COCC has a budgeted net operating income loss of \$0.5 million and a \$0.1 million cash impact after factoring in debt service principal payments and removing the non-cash other post-employment benefits OPEB accrual. The Marine Drive has a budgeted net operating income loss of \$0.2 million and a \$(0.4) million cash impact after factoring in debt service principal payments and removing the non-cash other post-employment benefits OPEB accrual. Any shortfall at Marine Drive may constitute an additional expense for the COCC. Cash borrowings cannot be made from either the AMPs or Section 8 to assist cash flow shortfalls in either COCC or Marine Drive.

The COCC is projected to have \$2.4 million in operating reserves on June 30, 2024. These reserves would be available to close any out-year deficit as depicted within the COCC Financial Plan. If losses are incurred, such losses would be funded through COCC current-year operations or COCC reserves to the extent available, as Marine Drive does not have any operating reserves.

Consolidated Revenues

BMHA’s revenues consist of five major subcategories:

1. HUD Subsidy
2. Net Dwelling /Non-Dwelling Income
3. HUD Public Housing Authority Grants – Vouchers
4. All Other Revenues
5. Transfers from Capital Grants

BMHA reported revenues of \$47.3 million as of Q3 2025. Revenues were \$2.4 million greater than the 2024-25 budget-to-date (79.2% of total budgeted revenues).

The following schedule summarizes BMHA’s third-quarter consolidated revenues. The 2024-25 Adopted Budget is included to provide additional context.

Consolidated 2025-28 Financial Plan Revenues				
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance
	\$ in Millions			
Total HUD Subsidy	\$24.8	\$18.6	\$17.3	(\$1.3)
Total Net Dwelling/Non-Dwelling Income	15.7	11.8	12.6	0.8
Total HUD PHA Grants - Vouchers	8.2	6.2	7.8	1.6
Total All Other Revenues	7.9	6.0	7.8	1.8
Total Transfers from Capital Grants	3.1	2.3	1.8	(0.5)
Total Revenues	\$59.7	\$44.9	\$47.3	\$2.4

HUD Operating Subsidy

Percent of Total Estimated Consolidated 2024-25 Revenues: 41.6%

Adopted Budget - \$24.8 million

BMHA's HUD Operating Subsidy is its largest funding source. The third quarter revenues were \$17.3 million, \$1.3 million less than the budget-to-date amount. The variance is likely predictive of a fiscal year-end unfavorable variance. The U.S. Congress established 2025 funding levels through September 30, 2025; the 96% interim proration rate is not expected to be increased.

The following depicts the HUD Operating Subsidy by individual budget.

Consolidated 2024-25 Revenues				
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance
\$ in Millions				
HUD Subsidy				
<i>AMP</i>	\$24.8	\$18.6	\$17.3	(\$1.3)
<i>COCC</i>	-	-	-	-
<i>Marine Drive</i>	-	-	-	-
<i>Section 8</i>	-	-	-	-
Total HUD Subsidy	\$24.8	\$18.6	\$17.3	(\$1.3)

HUD provides public housing authorities (PHAs) with a subsidy to fund their operational expenses (as per the U.S. Housing Act of 1937, as amended). PHAs provide HUD with financial information on project, utility, and other formula expenses to determine total formula income. HUD reviews the information to determine each PHA's formula aid amount and the funds to be obligated for the funding period based on the appropriation by the U.S. Congress. HUD subsidy funding is based on a calendar year, utilizing information from the prior July through June fiscal year.

The operating subsidy formula is as follows:

Total Formula Income
<i>- Resident Rental Receipts</i>
= Amount eligible for subsidy
<i>x Proration Rate</i>
=Total Operating Subsidy

BMHA will receive an additional \$0.6 million in its 2024-25 operating subsidy funding from a program intended to elevate the reserves of certain PHAs. Eligibility terminates when reserves are equal to four months of AMP expenses. BMHA had approximately \$8.6 million in reserves on June 30, 2024, or approximately 2.7 months of expenses.

Dwelling/Non-Dwelling Income

Percent of Total Estimated Consolidated 2024-25 Revenues – 26.3%

2024-25 Adopted Budget - \$15.7 million

Dwelling income includes the rental payments that BMHA receives from federal AMPs and Marine Drive tenants. Non-dwelling income consists of rental income received for commercially rented space.

The following depicts the Net Dwelling/Non-Dwelling income by individual budget.

Consolidated 2024-25 Revenues				
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance
	\$ in Millions			
Net Dwelling/Non-Dwelling Income				
<i>AMP</i>	\$12.1	\$9.1	\$9.4	\$0.3
<i>COCC</i>	-	-	-	-
<i>Marine Drive</i>	3.6	2.7	3.2	0.5
<i>Section 8</i>	-	-	-	-
Total Net Dwelling/Non-Dwelling Income	\$15.7	\$11.8	\$12.6	\$0.8

BMHA reported \$12.6 million in Net Dwelling/Non-Dwelling income as of Q3 2025, \$0.8 million greater than the budget-to-date amount. AMP rental receipts were favorable by \$0.3 million; Marine Drive rental receipts were significantly greater than the budget-to-date by \$0.5 million (18.5%). BMHA attributes this to recovering past due balances and the rental assistance that tenants receive.

AMP tenants pay no more than 30 percent of their monthly adjusted gross income towards rent. If an AMP is part of the LIHTC program, a flat rent that does not fluctuate with changes in household income and/or size may be charged. The amount will increase or decrease with comparable private unassisted rental market units nearby.

The LIHTC program allows the BMHA to leverage private equity to fund the renovations or revitalization of the properties. It provides a source for additional hard debt, debt for which repayment is required, and other credit terms for the AMP to achieve long-term preservation.

The Marine Drive Apartments charge a flat rent, limited to 35 percent of monthly adjusted gross income. A rental increase request is pending with NYS Homes and Community Renewal approval.

Voucher Grants

Percent of Total Estimated Consolidated 2024-25 Revenues – 13.7%

2024-25 Adopted Budget - \$8.2 million

BMHA receives PHA Voucher Grants from HUD and passes them along to recipients, less the Housing Choice Voucher (HCV) Administration Fee earned. The Administrative Fee funds the program's administrative costs.

The following depicts the Voucher Grants by individual budget.

Consolidated 2024-25 Revenues				
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance
	\$ in Millions			
HUD PHA Grants - Vouchers				
<i>AMP</i>	-	-	-	-
<i>COCC</i>	-	-	-	-
<i>Marine Drive</i>	-	-	-	-
<i>Section 8</i>	\$8.2	\$6.2	\$7.8	\$1.6
Total HUD PHA Grants - Vouchers	\$8.2	\$6.2	\$7.8	\$1.6

Voucher Grant receipts were \$7.8 million as of Q3 2025, a favorable budgetary variance of \$1.6 million. BMHA attributes the variance to program enhancements. The variance is predictive of fiscal year-end variance as the US Congress has established 2025 funding levels through September 30, 2025.

The voucher program's revenues and expenses reflect BMHA's continued efforts to fully utilize the total vouchers available. PHAs that do not spend 100% of available PHA grants are considered underutilized and may be subject to either penalization or recapture of the underutilized funds.

Transfers from Capital Grants

Percent of Total Estimated Consolidated 2024-25 Revenues – 5.2%

2024-25 Adopted Budget - \$3.1 million

Transfers from Capital Grants represent funds used to reimburse BMHA for the administrative and programmatic work performed on capital projects funded through grants. Therefore, they may fund general operations. The revenues are reflected in the AMP Adopted Budget.

The following depicts the Transfers from Capital Grants by individual budget.

Consolidated 2024-25 Revenues				
Description	2024-25 Adopted Budget	Budget-to-Date	Actual at 3.31.2025	Variance
\$ in Millions				
Transfers from Capital Grants				
<i>AMP</i>	\$3.1	\$2.3	\$1.8	(\$0.5)
<i>COCC</i>	-	-	-	-
<i>Marine Drive</i>	-	-	-	-
<i>Section 8</i>	-	-	-	-
Total Transfers from Capital Grants	\$3.1	\$2.3	\$1.8	(\$0.5)

Actual Transfers from Capital Grants were \$1.8 million as of Q3 2025, \$0.5 million less than the budget-to-date projection; transfers are made at BMHA management’s discretion.

Transfers from Capital Grants consist of capital grant program administration cost reimbursements and direct personnel costs. A PHA may use capital funds for operating fund purposes only if they are included in the five-year action plan approved by the PHA board and HUD, subject to limitations. This revenue represents the transfer of grant funds for the reimbursement of expenses. Capital Funds identified in the five-year action plan to be transferred to operations may be transferred after the PHA draws them down. Once such a funds transfer occurs, the PHA must follow the 24 CFR Part 990 requirements concerning those funds. Unless otherwise provided in the annual HUD appropriation act, a PHA with 250 or more public housing units may use no more than 25% of its annual Capital Fund grant for operating fund-eligible activities.

All Other Revenues

Percent of Total Estimated Consolidated 2024-25 Revenues – 13.2%
 2024-25 Adopted Budget - \$7.9 million

All Other Revenues include interest income, service fees, development fees, administrative fee reimbursement associated with the HUD Section 8 Housing Voucher Program, and other miscellaneous income.

The following depicts All Other Revenues by individual budget.

Consolidated 2024-25 Revenues				
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance
	\$ in Millions			
All Other Revenues				
<i>AMP</i>	\$0.3	\$0.2	\$2.2	\$2.0
<i>COCC</i>	5.8	4.4	3.8	(0.6)
<i>Marine Drive</i>	0.1	0.1	0.1	0.0
<i>Section 8</i>	1.7	1.3	1.7	0.4
Total All Other Revenues	\$7.9	\$6.0	\$7.8	\$1.8

All Other Revenues were \$7.8 million, \$1.8 million greater than the third quarter budget-to-date amount.

These variances are as follows:

- AMP – favorable by \$2.0 million: BMHA received \$2.05 million in additional revenue from the Fosdick Field property transaction
- COCC – unfavorable by \$0.6 million: The COCC had an unfavorable variance of \$0.6 million due to the Frontline Service Fee and the CFFP (Capital Fund Financing Program) administrative fee revenues. These rates are currently under review and may be amended.
- Section 8 – favorable by \$0.4 million: Section 8 had a favorable variance of \$0.4 million based on the total HCV Administrative Fee revenue received.

Consolidated Expenses

BMHA’s expenses consist of six major subcategories:

- 1) General Expenses
- 2) Maintenance
- 3) Administration
- 4) Utilities
- 5) Other Expenses
- 6) Protective/Resident Services Costs

BMHA reported expenses of \$45.7 million as of Q3 2025. Consolidated expenses were \$2.1 million greater than the 2024-25 budget-to-date (79.2% of total budgeted expenses).

The following schedule summarizes BMHA’s third-quarter consolidated expenses. The 2024-25 Adopted Budget is included to provide additional context.

Consolidated 2024-25 Expenses				
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance
	\$ in Millions			
Total General Expenses	\$14.7	\$11.1	\$9.9	\$1.2
Total Maintenance	14.0	10.5	12.0	(1.5)
Total Administration	11.3	8.4	8.7	(0.3)
Total Utility	7.0	5.3	5.7	(0.4)
Total Other Expenses	8.8	6.6	8.5	(1.9)
Total Protective Services/ Resident Service Costs	2.2	1.7	0.9	0.8
Total Expenses	\$58.0	\$43.6	\$45.7	(\$2.1)

General Expenses

Percent of Total Budgeted Consolidated 2024-25 Expenses – 25.3%

2024-25 Adopted Budget - \$14.7 million

General Expenses include employee benefits, insurance, the annual accrual for OPEB, actual retiree health insurance, and other miscellaneous expenses.

The following is a depiction of General Expenses by individual budget.

Consolidated 2024-25 Expenses					
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance	
	\$ in Millions				
General Expenses					
<i>AMP</i>	\$11.3	\$8.5	\$7.5	\$1.0	
<i>COCC</i>	2.4	1.8	1.4	0.4	
<i>Marine Drive</i>	0.9	0.7	1.0	(0.3)	
<i>Section 8</i>	0.1	0.1	0.0	0.1	
Total General Expenses	\$14.7	\$11.1	\$9.9	\$1.2	

General Expenses were \$9.9 million as of Q3 2025, \$1.2 million less than the budget to date. Employee Benefits expenses were favorable by a net \$0.3 million compared to the budget-to-date amount attributed to vacant AMP positions (17.2% as of Q3 2025). Retiree health insurance was favorable by \$0.1 million compared to the budget-to-date amount, particularly within the AMP budget. This favorable variance is attributed to lower legacy costs associated with retiree health claims (i.e., fewer retirees than budgeted). The OPEB service cost was \$0.8 million less than the budget-to-date amount.

Other Postemployment Benefits

BMHA maintains an employer-defined-benefit healthcare plan providing medical benefits to eligible retirees and spouses. Benefit provisions are based on individual contracts with the BMHA. Employees hired after May 28, 2019, are not eligible for BMHA-funded health insurance upon retirement. Eligibility is determined based on the hire date, a minimum age of 55, and five or more years of service. Qualifying retirees are moved to a less costly HMO Medicaid plan, with BMHA reimbursing 100% of the plan’s costs. Qualifying retirees are eligible to continue the same coverage they received immediately before retirement for their lifetime. On June 30, 2024, BMHA accrued future OPEB benefits for 139 active employees, 48 of whom were eligible to retire. Actual retiree healthcare benefits were provided to 221 retirees or beneficiaries. The BMHA’s total OPEB liability of \$60,259,857 was measured as of June 30, 2024.

BMHA’s OPEB liability has decreased substantially in the last five years. On June 30, 2019, it was estimated at \$111,378,647. The June 30, 2024, valuation represents a \$51,118,790 decrease.

Maintenance

Percent of Total Budgeted Consolidated 2024-25 Expenses – 24.1%

2024-25 Adopted Budget - \$14.0 million

BMHA’s Maintenance expenses include the salaries of maintenance employees and non-personnel expenses, such as materials and equipment, to maintain BMHA-managed properties, including the AMPs, the COCC, and the Marine Drive Apartments.

The following is a depiction of Maintenance Expenses by individual budget.

Consolidated 2024-25 Expenses					
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance	
	\$ in Millions				
Maintenance					
<i>AMP</i>	\$12.3	\$9.2	\$10.1	(\$0.9)	
<i>COCC</i>	0.1	0.1	0.1	0.0	
<i>Marine Drive</i>	1.6	1.2	1.8	(0.6)	
<i>Section 8</i>	-	-	-	-	
Total Maintenance	\$14.0	\$10.5	\$12.0	(\$1.5)	

Maintenance expenses were \$12.0 million as of Q3 2025, \$1.5 million greater than the budget. Certain maintenance contract costs exceed the total budget, including janitorial, extermination, and elevator repair.

AMP expenses were unfavorable by \$0.9 million, as maintenance contract, unit turnaround, and LIHTC maintenance contract costs were a combined \$1.5 million greater than budget. AMP maintenance employee compensation was \$0.6 million less than budget, based on vacant positions.

Marine Drive expenses were unfavorable by \$0.6 million, as total maintenance contract costs were \$0.6 million greater than the budget-to-date amount.

Administration

Percent of Total Budgeted Consolidated 2024-25 Expenses – 19.5%

2024-25 Adopted Budget - \$11.3 million

BMHA’s Administrative expenses include the administration employees’ salaries and AMP management fees, telephone, internet, software, office equipment, employee travel, etc.

The following is a depiction of Administrative Expenses by individual budget.

Consolidated 2024-25 Expenses					
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance	
	\$ in Millions				
Administration					
AMP	\$6.1	\$4.6	\$4.6	\$0.0	
COCC	3.6	2.7	2.7	0.0	
Marine Drive	0.5	0.3	0.6	(0.3)	
Section 8	1.1	0.8	0.8	0.0	
Total Administration	\$11.3	\$8.4	\$8.7	(\$0.3)	

Administration expenses were \$8.7 million as of Q3 2025, \$0.3 million greater than the budget to date. Marine Drive administration expenses exceeded the budget-to-date by \$0.3 million as administrative employee compensation and management fees were a combined \$0.3 million greater than budget.

Utility

Percent of Total Budgeted Consolidated 2024-25 Expenses – 12.1%

2024-25 Adopted Budget - \$7.0 million

BMHA’s Utility expenses include the water, sewer, electric, and natural gas expenses for the AMPs, the COCC, and the Marine Drive Apartments, as well as the Utility employees’ salaries.

The following is a depiction of Utility Expenses by individual budget.

Consolidated 2024-25 Expenses					
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance	
	\$ in Millions				
Utility					
AMP	\$6.2	\$4.7	\$4.8	(\$0.1)	
COCC	-	-	-	-	
Marine Drive	0.8	0.6	0.9	(0.3)	
Section 8	-	-	-	-	
Total Utility	\$7.0	\$5.3	\$5.7	(\$0.4)	

Actual Utility expenses were \$5.7 million as of Q3 2025, \$0.4 million greater than the budget-to-date amount. The AMP budget was unfavorable by \$0.1 million as combined water and electric expenses were greater than the budget. The Marine Drive budget was unfavorable by \$0.3 million as combined water and sewer expenses were significantly over the budget to date by \$0.2 million. Current year-to-date expenses for these two utilities were more than the total 2024-25 Marine Drive budget.

BMHA receives a time-lagged utility expense reimbursement through the HUD Operating Subsidy. The reimbursement is a three-year rolling average of expenses, adjusted by inflationary or deflationary factors. This expense reimbursement impacts the AMP budget solely; the Marine Drive Adopted Budget does not receive utility expense reimbursements.

Protective Services/Resident Service Costs

Percent of Total Budgeted Consolidated 2024-25 Expenses – 3.8%
 2024-25 Adopted Budget - \$2.2 million

Resident Service expenses are budgeted at \$0.6 million and are largely contractually based. The remaining expenses consist of employee costs. Protective Services expenses are budgeted at \$1.7 million. The following is a depiction of Protective Services and Resident Service Costs expenses by individual budget:

Consolidated 2024-25 Expenses					
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance	
	\$ in Millions				
Protective Services/ Resident Service Costs					
<i>AMP</i>	\$1.9	\$1.4	\$0.7	\$0.7	
<i>COCC</i>	0.2	0.2	0.1	0.1	
<i>Marine Drive</i>	0.1	0.1	0.1	0.0	
<i>Section 8</i>	-	-	-	-	
Total Protective Services/ Resident Service Costs	\$2.2	\$1.7	\$0.9	\$0.8	

Actual Protective Services and Resident Service Costs expenses were \$0.9 million as of Q3 2025, \$0.8 million less than the budget-to-date and based on actual contract costs.

BMHA’s Protective Services expenses include the salaries of the AMP, COCC, and Marine Drive Protective Service employees and contract costs including an intergovernmental security services agreement with the City. Resident Service expenses include employees’ salaries, contract costs, AMP tenant stipends, and other miscellaneous costs.

The BMHA's intergovernmental agreement with the City expired on June 30, 2023. BMHA’s management is negotiating a new agreement that purportedly expands the terms of the now-expired agreement. The City continues to provide BMHA services under the prior terms while a new agreement is being negotiated.

Other Expenses

Percent of Total Budgeted Consolidated 2024-25 Expenses – 15.2%

2024-25 Adopted Budget - \$8.8 million

Other Expenses include non-operating items, primarily the housing assistance payment (HAP), which is the payment public authorities make to HCV program participants. These expenses are mainly pass-through, not operational expenses. HUD calculates funding by reviewing usage reported by BMHA on a three- to six-month lookback. This process lends itself to periods of overfunding and underfunding. Budgetary variances are due to the timing of HUD funding (i.e., when vouchers are issued and when HAPs are made). HAP voucher income is restricted to be used for HCV payments.

The following is a depiction of Other Expenses by individual budget.

Consolidated 2024-25 Expenses					
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance	
	\$ in Millions				
Other Expenses					
<i>AMP</i>	\$0.3	\$0.2	\$0.0	\$0.2	
<i>COCC</i>	-	-	-	-	
<i>Marine Drive</i>	0.0	0.0	0.0	0.0	
<i>Section 8</i>	8.5	6.4	8.5	(2.1)	
Total Other Expenses	\$8.8	\$6.6	\$8.5	(\$1.9)	

Other Expenses were \$8.5 million as of Q3 2025, or \$1.9 million greater than the budget-to-date amount. The variance is noted largely within the Section 8 unit. The program has received \$1.7 million greater-than-budgeted PHA grant revenue based on HUD's actual appropriation, which passes through the Section 8 budget. As a result, the amount of housing vouchers expended is greater than what was budgeted. The AMP budget recorded a minor \$0.2 million favorable variance.

Personnel

The employee groups represented by Local 264 (managerial, white-collar, and blue-collar) are all under contract until June 30, 2028. The terms of this settled labor agreement cover non-represented employees. The operating engineers represented by Local 17 are also under contract until June 30, 2028. Total employee compensation is budgeted at \$15.7 million in 2024-25. The total number of budgeted positions is 157 FTEs. BMHA has historically had a level of vacancy between 10-25% at any period during a fiscal year.

The following depicts the BMHA’s 2024-25 staffing plan and filled positions as of Q3 2025.

BMHA STAFFING 2024-25									
Employee Division	FYE 2024	2024-25 Adopted Budget	2025 Q3	Vacancy Rate	Employee Unit	FYE 2024	2024-25 Adopted Budget	2025 Q3	Vacancy Rate
<i>MIS</i>	3	4	3	25.0%	<i>Local 264: Blue-Collar</i>	58	64	50	21.9%
<i>Finance</i>	8	12	9	25.0%	<i>Local 264: White-Collar</i>	52	60	51	15.0%
<i>Personnel</i>	4	4	3	25.0%	<i>Local 264: Managers</i>	7	7	7	0.0%
<i>Capital Improvements</i>	5	7	4	42.9%	<i>Local 17: Operating Engineers</i>	6	7	5	28.6%
<i>Asset Management</i>	108	116	97	16.4%	<i>Non-Represented (NYS Civil Svc. and Exempt)</i>	17	19	17	10.5%
Total	140	157	130	17.2%	Total	140	157	130	17.2%

As of Q3 2025, 82.8% of budgeted positions were filled.

AMP Budget Summary

BMHA’s housing stock is grouped into 22 individual AMPs. Each AMP includes single or multiple housing facilities. Smaller facilities are grouped (e.g., AMP 33 contains three facilities with a combined 124 habitable units). Large facilities may be the entirety of the AMP (e.g., Jasper Parish contains 191 habitable units and comprises the entirety of AMP 12). The individual AMP budgets cumulatively comprise the total AMP Adopted Budget.

The following summarizes the AMP's actual results compared to the budget as of Q3 2025.

Asset Management Program 2024-25 Summary				
Description	2024-25 Adopted Budget	Budget-to-Date	Actual at 3.31.2025	Variance
Total Revenues	\$40.3	\$30.2	\$30.7	\$0.5
Total Expenses	38.1	28.6	27.7	0.9
Net Operating Income (Loss) before Debt Service	\$2.2	\$1.6	\$3.0	\$1.4
Debt Service - Principal Reduction	(1.8)	(1.3)	(1.3)	0.0
Cash Impact after Removal of the Non-cash OPEB Accrual	\$1.3	\$1.0	\$2.4	\$1.4

AMP revenues account for \$40.3 million (67.5%) of total 2024-25 estimated revenues. AMP expenses account for \$38.1 million (65.7%) of total 2024-25 budgeted expenses. The AMP budget is the largest component within the overall Adopted Budget.

The 2024-25 AMP Adopted Budget depicts \$2.2 million in net operating income. The cash impact is a positive \$1.3 million after including the \$1.8 million of debt service payments and removing the non-cash \$0.9 million OPEB accrual.

As of Q3 2025, revenues were greater than the budget-to-date amount by \$0.5 million due to the following:

- HUD Subsidy: \$(1.3) million
- Net Dwelling/Non-Dwelling Income: \$0.3 million
- All Other Revenues: \$2.0 million
 - Includes \$2.0 million transfer of Fosdick Field to the BCSD
- Transfers from Capital Grants: \$(0.5) million

Expenses were \$0.9 million less-than-budget, due to the following:

- General Expenses: \$1.0 million
 - OPEB-related: \$0.6 million
 - Employee benefits: \$0.4 million
- Maintenance: \$(0.9) million
 - Various Maintenance Contracts: \$(1.0) million
 - Maintenance – LIHTC: \$(0.4) million
 - Maintenance Employee Compensation: \$0.5 million
- Utility: \$(0.1) million
 - Electric: \$(0.3) million
 - Gas: \$0.4 million
 - Water: \$(0.2) million
- Protective Services/ Resident Service Costs & Other Expenses: \$0.7 million
- Other Expenses: \$0.2 million

The net operating income was \$3.0 million.

The variances within Administrative and Maintenance employee compensation and benefits resulted from vacant positions.

COCC Budget Summary

The COCC is the business unit within the BMHA. It operates as a property management company and earns income from fees and by overseeing other business activities. COCC revenues account for \$5.8 million (9.7%) of total 2024-25 estimated revenues. COCC expenses account for \$6.3 million (10.9%) of total 2024-25 budgeted expenses.

The following summarizes the COCC's actual results as compared to the budget as of Q3 2025.

Central Office Cost Center 2024-25 Summary				
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance
\$ in Millions				
Total Revenues	\$5.8	\$4.4	\$3.8	(\$0.6)
Total Expenses	6.3	4.8	4.3	0.5
Net Operating Income (Loss) before Debt Service	(\$0.5)	(\$0.4)	(\$0.5)	(\$0.1)
Debt Service - Principal Reduction	0.0	0.0	0.0	0.0
Cash Impact after Removal of the Non-cash OPEB Accrual	\$0.1	\$0.0	(\$0.1)	\$0.0

The BMHA has budgeted a net operating loss of \$0.5 million in 2024-25. The cash impact is \$0.1 million in 2024-25 after removing the \$0.6 million non-cash OPEB accrual.

As of Q3 2025, revenues were less than the budget-to-date amount by \$0.6 million due to the following:

- All Other Revenues: \$(0.6) million
 - Frontline Service Fees: \$(0.1) million
 - Management Fees Earned: \$(0.5) million

Expenses were \$0.5 million less-than-budget, due to the following:

- General Expenses: \$0.4 million
 - OPEB Service Costs: \$0.4 million
- Protective Services/Resident Service Costs: \$0.1 million

The net operating loss was \$0.5 million

Marine Drive Budget Summary

BMHA manages the Marine Drive Apartments, a BMHA-owned apartment complex. The complex is not federally subsidized. Marine Drive tenants pay a flat rental rate as established by BMHA, not to exceed 35 percent of the tenant’s adjusted monthly income.

The following summarizes the Marine Drive's actual results as compared to the budget as of Q3 2025.

Marine Drive 2024-25 Summary				
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance
	\$ in Millions			
Total Revenues	\$3.7	\$2.8	\$3.3	\$0.5
Total Expenses	3.9	2.9	4.4	(1.5)
Net Operating Income (Loss) before Debt Service	(\$0.2)	(\$0.1)	(\$1.1)	(\$1.0)
Debt Service - Principal Reduction	(0.3)	(0.3)	(0.3)	0.0
Cash Impact after Removal of the Non-cash OPEB Accrual	(\$0.4)	(\$0.3)	(\$1.3)	(\$1.0)

Marine Drive revenues account for \$3.7 million (6.2%) of the total 2024-25 estimated revenues, and Marine Drive expenses account for \$3.9 million (6.7%) of the total 2024-25 budgeted expenses. Net dwelling income is almost the entirety of Marine Drive’s operating revenue. The 2024-25 cash outflow is budgeted at \$0.4 million.

As of Q3 2025, revenues were greater than the budget-to-date amount by \$0.5 million due to dwelling rental income.

The 2024-25 Marine Drive Adopted Budget includes an increase of rental receipts of \$0.2 million over the 2023-24 Marine Drive Adopted Budget.

BMHA has applied to the NYSHCR to increase Marine Drive Apartment rents. The rental increase is anticipated to have an annualized \$0.5 million increase. This request remains pending NYSHCR approval.

The BMHA has secured seventy-two (72) Section 8 Project-Based Vouchers from NYSHCR to minimize the impact of rent increases on extremely low-income families. Residents occupying the PBV units would pay 30% of their income towards rent. The remaining residents would see an average of \$50/month rent increase.

Expenses were \$1.5 million greater-than-budget, due to the following:

- General Expenses: \$(0.3) million
- Maintenance: \$(0.6) million
- Administration: \$(0.3) million
- Utility: \$(0.3) million

Marine Drive Q3 2025 total expenses totaled \$4.4 million. These expenses exceed the 2024-25 Adopted Budget by \$0.5 million (112.8% of budget).

The CFY deficit is concerning in that the Marine Drive Apartments have been provided cashflow assistance from the COCC in an amount exceeding \$2.8 million. The terms of repayment have not yet been developed. The growing operating deficit within the CFY will put further pressure on COCC to assist Marine Drive operations.

The Marine Drive Adopted Budget did not adequately estimate 2024-25 expenses. Additionally, the 2025-26 Adopted Budget includes \$4.2 million in total expenses, a level that was exceeded at Q3 2025.

Marine Drive Occupancy Rates

BMHA’s FYE 2023 and 2024 occupancy rates were 82.8% and 78.0%, respectively. The occupancy rate has continued declining and averaged 76.72% from July 1st through March 31st. The occupancy rate has gradually but steadily declined since the lifting of the eviction moratoria from 89.4% on March 31, 2022, to 77.27% on June 30, 2024. This constitutes 69 fewer rented units per month.

Section 8 Update

The HUD Section 8 Voucher Program is the federal government's major program for assisting low-income families, older adults, and the disabled to afford decent, safe, and sanitary housing in the private market. Section 8 revenues account for \$9.9 million (16.6%) of total 2024-25 estimated revenues. Section 8 expenses account for \$9.7 million (16.7%) of total 2024-25 budgeted expenses.

The following summarizes the Section 8 actual results as compared to the budget as of Q3 2025.

Section 8 2024-25 Summary				
Description	2024-25 Adopted Budget	Budget- to-Date	Actual at 3.31.2025	Variance
	\$ in Millions			
Total Revenues	\$9.9	\$7.5	\$9.5	\$2.0
Total Expenses	9.7	7.3	9.3	(2.0)
Net Operating Income (Loss) before Debt Service	\$0.2	\$0.2	\$0.2	\$0.0

HUD PHA Grants total \$8.2 million in 2024-25, 82.8% of total Section 8 revenues. HAPs are \$8.2 million. The HAPs are the voucher disbursements of the PHA Grants. Any reported surplus or deficit is temporary as the program self-balances.

As of Q3 2025, revenues were \$2.0 million greater than the budget-to-date, and expenses were \$2.0 million greater than the budget-to-date. Both variances are due to the amount of HCVs received and the related Housing Assistance Payments/Utility Assistance Payments subsequently remitted.

Summary

The 2024-25 AMP Adopted Budget depicts \$2.2 million in net operating income and a net cash inflow of \$1.3 million. For the nine-month period ended March 31, 2025, revenues were greater than the budget-to-date by \$0.5 million and expenses were \$0.9 million less than budget. The net operating income was \$3.0 million.

Marine Drive's Adopted Budget included \$0.2 million in net operating loss. For the nine-month period ended March 31, 2025, BMHA reported an operating loss of \$1.5 million. The loss was much higher than anticipated. Total expenses through the third quarter exceeded the annual adopted budget; BMHA has not yet modified the budget. Marine Drive presents a financial challenge as each of the three prior fiscal years concluded with operating losses, the current fiscal year is likely to conclude with a significant operating loss, and the four-year projection for the Marine Drive Apartments substantial operating losses in all four years. Marine Drive has been provided with cashflow assistance from the COCC to fund operations; it does not have operating reserves to cover deficits. We recommend BMHA modify the Marine Drive Apartments budget for 2024-25 as spending levels will be exceeded.

The COCC Adopted Budget included \$0.5 million in net operating loss. As of March 31, 2025, BMHA reported an operating loss of \$0.5 million. A fiscal year-end operating loss is not certain as the loss reporting in the third quarter may be a function of timing of revenue recognition. As with the Marine Drive Apartments financial plan, the COCC financial plan likewise projects operating deficits in each out-year with a four-year cumulative \$1.2 million operating loss.

The Section 8 Adopted Budget included revenues at \$9.9 million and expenses at \$9.7 million. As of Q3 2025, revenues were \$2.0 million greater than the budget-to-date, and expenses were \$2.0 million greater than the budget-to-date. Both variances are due to the amount of HCVs received and the related Housing Assistance Payments/Utility Assistance Payments subsequently remitted.