



# **Atlanta Housing Authority**

# **Annual Budget**

**For the Fiscal Year  
Beginning July 1, 2012 and Ending June 30, 2013**

**A Year of Transformation and Investment**

***Approved at the June 20, 2012  
Meeting of the AHA Board of Commissioners***

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## **FY 2013 Budget Schedules**

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## MISSION STATEMENT

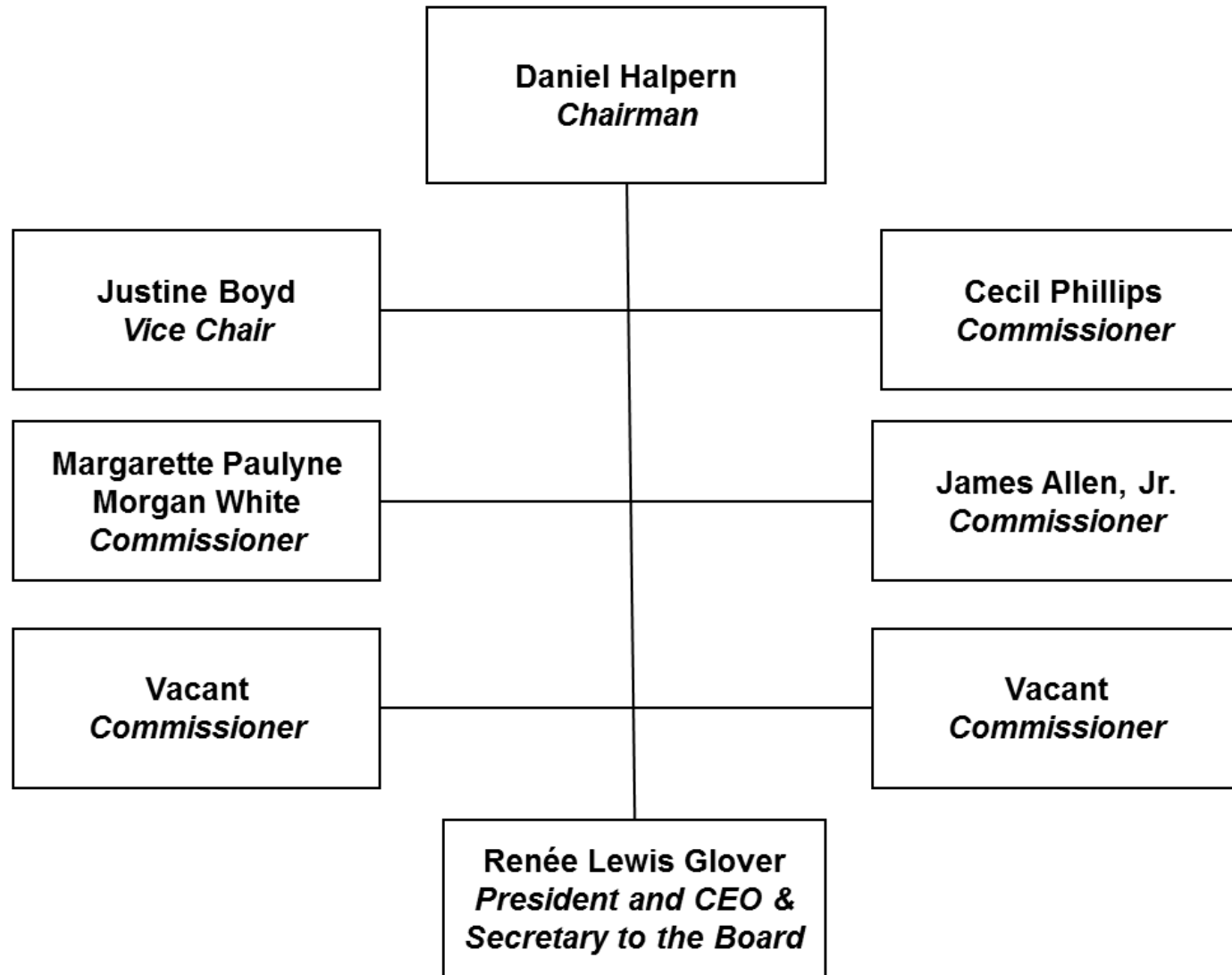
Provide quality affordable housing in amenity-rich, mixed-income communities for the betterment of the community



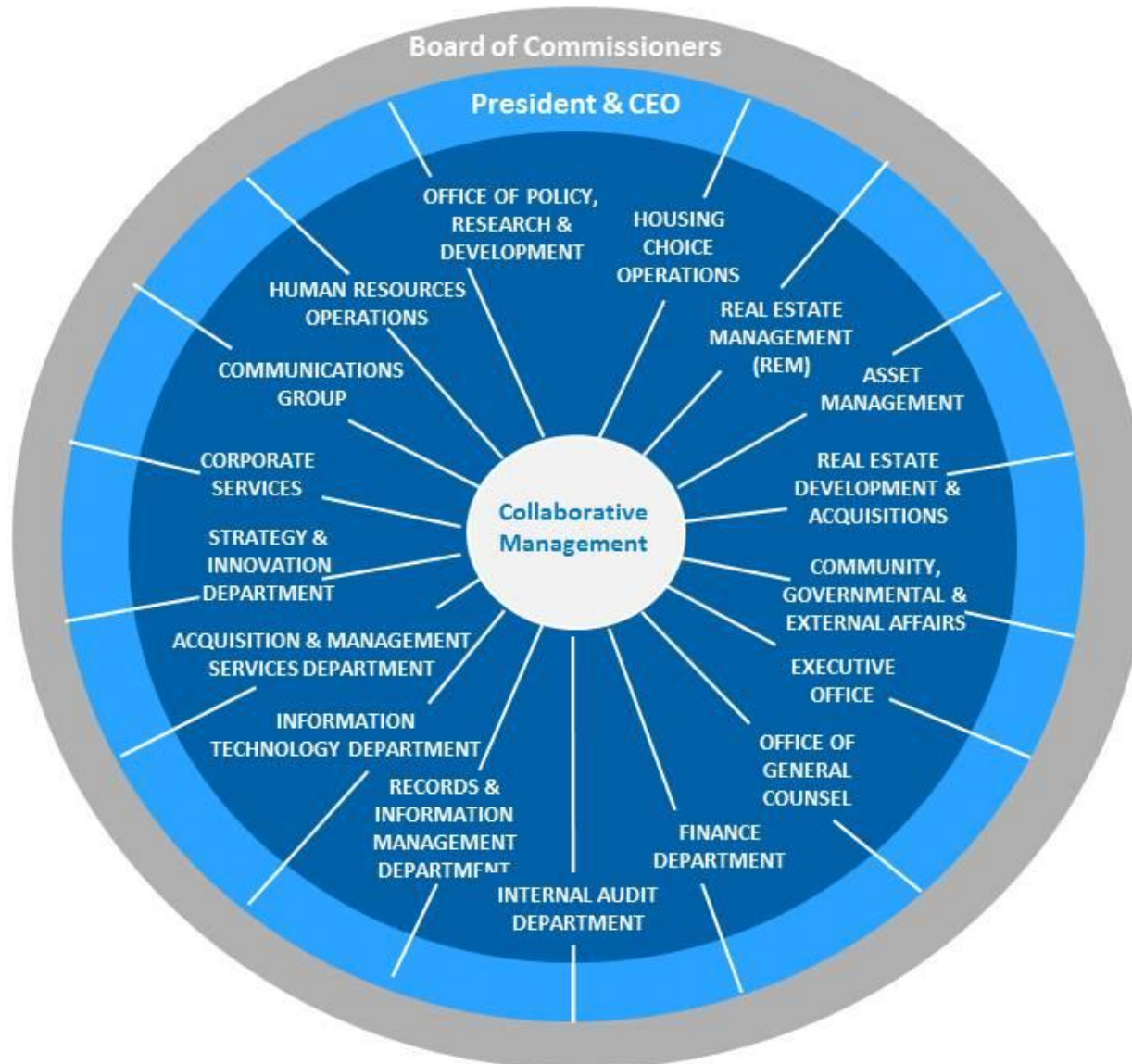
## VISION STATEMENT

Healthy Mixed-Income Communities; Healthy Self-Sufficient Families

## AHA's Board of Commissioners



## AHA ORGANIZATION



### **BUDGET OVERVIEW**

#### **AHA's FY 2013 Moving to Work (MTW) Implementation Plan**

The Atlanta Housing Authority's (AHA) FY 2013 Budget (the "FY 2013 Budget") has been developed in conjunction with and as a part of our FY 2013 MTW Implementation Plan (the "FY 2013 MTW Plan"). The FY 2013 MTW Plan was approved by AHA's Board of Commissioners in March 2012 and was submitted to the U.S. Department of Housing and Urban Development (HUD) in April 2012. The Budget must be approved by the Board and submitted to HUD by June 30, 2012.

#### **Guiding Principles**

As the Senior Leadership of AHA approached the preparation of our FY 2013 Budget, we agreed as an enterprise on the following guiding principles:

- AHA's highest overarching priority is serving families in healthy, amenity-rich and economically integrated communities, having, at a minimum, access to public transportation, good schools and supportive services.
- AHA's second-highest overarching priority is to serve substantially the same number of households on June 30, 2013 as it was serving at the end of FY 2011 — 21,267 families.
- FY 2013 will continue as a year of transition and investment and, therefore, AHA will incur a number of "one-time" expenses (reflected in the FY 2013 Budget)

as AHA completes the implementation of the Business Transformation Initiative. This initiative was approved by the Board of Commissioners in January 2010, when the Board approved the selection of the Boston Consulting Group (BCG), an internationally renowned consulting firm, to assist AHA in achieving its full potential as a diversified real estate company, with a public mission and purpose. The underlying premise for the approval of the Business Transformation Initiative (including the ERP Solution) is that such an initiative is a necessary and essential investment in order for AHA to deliver a higher level of service and achieve greater efficiency and effectiveness.

- As Congress engages in the Federal Fiscal Year (FFY) 2013 Appropriations process, Congress and HUD are requiring that local housing authorities accelerate the spend rate of their reserves to advance their agency-planned activities, as reflected in their HUD-approved annual plans. HUD has advised local housing authorities, through various industry groups, that if such reserves are not expended or a plan (acceptable to HUD) is not developed and approved, such reserves are subject to be offset against future appropriations (commencing in Federal Fiscal Year 2013). Consistent with the foregoing, the FY 2013 Budget projects that AHA will spend \$15.3 million of its cash reserves during FY 2013. See page 23 for a detailed discussion.
- Each project and activity funded in the FY 2013 Budget supports one of AHA's three FY 2013 priorities as reflected in AHA's Board-approved FY 2013 MTW Plan. Each department head was required to evaluate



AHA employee headcount, professional services and staff augmentation resources, total administrative costs and service levels against the projects that are projected to be delivered during FY 2013, while sustaining their ongoing operations at agreed service levels.

- A high-level concept statement supporting proposals for new funding sources or revenue opportunities must be presented and approved by Senior Management.

### AHA's FY 2013 Priorities

AHA's FY 2013 Budget was developed in conjunction with and as a part of our FY 2013 MTW Plan.

The FY 2013 Budget encompasses sources and uses of funds that support the following three priorities established in the FY 2013 MTW Plan:

1. Implement the Business Transformation Initiative, including the major components of the ERP Solution.
2. Advance AHA's real estate initiatives with the goals of community sustainability, market competitiveness and long-term financial sustainability.
3. Advance the human development services strategy through strategic partnerships and new funding strategies.

A high-level overview of each priority and associated activities projected for FY 2013 are provided below. Please refer to the FY 2013 MTW Plan for additional information. The sources of funds to support these priorities (sources) and associated

expenditure (uses) are provided in the "Sources" and "Uses of Funds" sections of this narrative.

### **Priority 1: Implement the Business Transformation Initiative including the major components of the ERP Solution.**

As an outgrowth of its Revitalization Program, long-term business strategy, and utilizing its MTW flexibility, AHA's composition and mix of assets and business and contractual relationships have changed dramatically during the last 15 years.

AHA initiated its Business Transformation Initiative as part of a strategy to strengthen AHA's business model – as a diversified real estate company, with a public mission and purpose – and to prepare for the "new normal" in the post-recession real estate and financial markets and constrained Federal budgets. A multi-year effort starting in FY 2010 that will continue through FY 2013, this initiative was commenced in January 2010, when BCG was procured and approved by the Board to: (a) assess and evaluate AHA's then-current business systems and practices; (b) develop and recommend an efficient and effective business model patterned after the best practices of successful private-sector real estate companies and the state-of-the-art information systems that support such companies; and (c) develop and launch a business transformation implementation plan (the "Business Transformation Initiative"). This multi-dimensional initiative covers Process, People, Policy, Technology and Data. The three primary goals of this initiative are:

1. Evolve AHA into a “best-in-class” diversified real estate company with a public mission and purpose;
2. Enhance efficiency and effectiveness of AHA (e.g., reduce manual/repetitive tasks, improve response time, improve data access and reliability, and improve customer service);
3. Properly align organizational structure, culture, human resources, business processes, IT and other systems to position AHA to maintain its national reputation as a thought leader and innovator in affordable housing and comprehensive community-building, and operate its business with excellence.

The recommendations growing out of the BCG assessment include, among others:

1. Undertake a major strategic planning effort, with the goal of establishing a five-year strategic plan, including a five-year real estate plan and a five-year human development plan;
2. Hire a Chief Technology & Information Officer, a Chief Human Resource Officer and a Chief Operating Officer;
3. Redesign the administration of the Housing Choice Voucher Program with a focus on improved customer service and improved efficiency and effectiveness;
4. Evolve governance of real estate activities through the establishment of a Real Estate Committee and evolving the Investment Committee;

5. Oversee and monitor the Information Technology activities through the establishment of an Information Technology Committee;
6. Establish an enterprise-wide Program Management Office to manage major and complex enterprise-wide projects;
7. Implement a performance management system, including an incentive pay program to incent and reward excellent performance;
8. Improve internal communications.

After extensive analysis and research, BCG recommended and AHA determined that an enterprise resource planning system, together with an enterprise content management system and business intelligence (herein, collectively, the “ERP Solution”) would be most transformational and would meet AHA’s goals and objectives. AHA agreed that such a solution would support and enhance AHA’s current and future operations model as follows:

- Increase productivity;
- Reduce or eliminate data entry and collection processes;
- Increase transparency with current, integrated data;
- Enable development of enterprise-level performance indicators;
- Reduce data security risks;
- Enable holistic portfolio management.



The ERP Solution, with YARDI as the procured ERP vendor, was approved by AHA's Board of Commissioners in January 2011. At that meeting, the Board authorized AHA to spend approximately \$10 million (of a projected \$12.7 million budget) to cover the following:

- Purchase of the YARDI software licenses and YARDI related services including, discovery, design and planning services, data conversion services, and configuration and implementation costs;
- Purchase of an enterprise content management (ECM) system (initially thought to be Laserfiche RIO, which would be evolved during a more detailed planning process) and business intelligence; and
- Approximately \$4.3 million for BCG-related cost to assist in change management, business process re-engineering, other consulting services, and to provide strategic guidance and reports to AHA Senior Management and the Board to ensure the successful implementation of the ERP Solution.

The AHA Board decided that the remaining balance of approximately \$2.7 million for bolt-ons, extensions, integrators, fixed hardware and other costs would be approved as the discovery, design and planning phases advanced, and solutions and related procurement processes were completed. Since the January 2011 meeting, all but approximately \$300,000 has been approved by the AHA Board.

During FY 2013, AHA will begin implementation of the major components of the ERP Solution with "go-live" of the Finance, Procurement and Grants Management module scheduled for

July 2, 2012. During discovery, design and planning, AHA determined that Laserfiche RIO was not the right solution and instead selected SharePoint and YARDI Orion as its enterprise content management solution. As a complement to the ECM solution, AHA has created a new Records & Information Management Department, which will support the life-cycle management of AHA's physical and electronic documents/records and provide printing, copying and other administrative services to the enterprise, as well as facilitate AHA's long-term strategy to become paperless.

AHA's Senior Management is committed to an approximate four-year payback, achieved through targeted cost savings commencing in FY 2014, after the implementation of the major components of the ERP Solution.

Consistent with the recommendations by BCG, AHA has established an enterprise program management office (as a best practice) for the implementation of all major and complex enterprise-wide projects. The first major project to be managed by this office is the implementation of the ERP Solution, AHA's single largest and most complex project.

During FY 2013, AHA will continue to invest in a number of change management tools to support the Business Transformation Initiative. One such tool is improved internal communications. In response to a direction by the Board of Commissioners, AHA has created an internal Communications Group. This group is responsible for ensuring that the myriad changes supporting the Business Transformation Initiative are effectively communicated. AHA's intranet and Internet channels will also be modernized and repositioned during FY 2013 to support the ERP Solution.

As part of its Business Transformation Initiative, AHA is implementing an enterprise-wide succession plan for AHA's Senior Leaders. During FY 2012, the AHA Board of Commissioners announced its intention to hire a new President and Chief Executive Officer of AHA. To support such a transition, AHA is hiring a Chief Operating Officer during FY 2013.

In sum, the major FY 2013 activities supporting Priority 1 include:

- A. Implement the major components of the ERP Solution;
- B. Build organizational talent and capabilities, and implement an enterprise-wide succession plan for AHA's Senior Leadership;
- C. Implement a stakeholder education and engagement initiative, including the creation of an internal Communications Group;
- D. Initiate a Board-driven long-term strategic planning process to develop a five-year strategic plan, including a five-year real estate plan;
- E. Develop new sources of revenue and funding.

**Priority 2: Advance AHA's real estate initiatives with the goals of community sustainability, market competitiveness and long-term financial sustainability.**

Since 1995, AHA and its private-sector development partners, who serve as Master Developers have successfully created 16 quality, mixed-use, mixed-income communities with an economic impact to date of approximately \$2 billion. During FY 2013, AHA and its Master Developers will update and continue to advance, subject to market conditions, the

community sustainability aspects of the Master Plans. These aspects are intended to ensure the long-term sustainability, desirability, market competitiveness and stability of the communities. Most of these additional aspects will be developed primarily using conventional private-sector funds.

During FY 2013, AHA will continue to invest in capital improvements at its 11 senior high-rises and 2 family residential properties (AHA-Owned Residential Communities). AHA will also continue to use its Project Based Rental Assistance (PBRA) program for incenting private-sector developers and owners to facilitate additional housing opportunities in quality mixed-income communities. PBRA will also be instrumental in facilitating supportive housing opportunities.

The major FY 2013 activities supporting Priority 2 include:

- A. Advance master plans for mixed-use, mixed-income communities;
- B. Pursue Choice Neighborhood Implementation grant;
- C. Utilize PBRA as a strategic tool to facilitate housing opportunities;
- D. Expand supportive housing opportunities;
- E. Implement conversion (reformulation) demonstration with HUD for the four rental phases of mixed-income, mixed-financed phases of Centennial Place, a mixed-use, mixed-income community;
- F. Complete the Energy Performance Contract (EPC) implementation and unit upgrades for AHA-Owned Residential Communities;
- G. Address property-specific, prioritized physical needs at AHA-Owned Residential Communities;

- H. Reposition and expand property management strategy to include redevelopment for AHA-Owned Residential Communities.

**Priority 3: Advance the human development services strategy through strategic partnerships and new funding strategies.**

Since 1995, as AHA has advanced its Revitalization Program, AHA has successfully relocated more than 12,000 households from obsolete, distressed and socially dysfunctional public housing developments, primarily using Section 8 vouchers. Based on lessons learned and best practices working with The Integral Group, AHA made a mid-course adjustment in its human development strategy in 1998 because it became apparent that, in order for families to achieve long-term success in mainstream America, coaching and counseling (three to five years, based on funding availability) for the entire family was vital. AHA also developed a comprehensive referral network (Service Provider Network) of 62 supportive services and community resources through a series of memoranda of agreement for a broad range of services, e.g., child care, job training, life skills, literacy services, GED and other educational programs.

To facilitate successful outcomes for families, human development services are necessary and essential. Using its MTW funds, AHA continues to facilitate the provision of supportive services in several ways:

- AHA provides referrals for all families, as needed, to its Service Provider Network to connect them to

employment, training, education and other opportunities.

- For families who have more complex needs, AHA facilitates the provision of intensive case management services.
- Through their respective property management teams, AHA's private-sector business partners provide resident programs and services at AHA-Sponsored mixed-income communities and privately owned communities that participate in AHA's PBRA program.
- At the AHA-Owned Residential Communities, each community has a Resident Services Coordinator who assists residents in connecting to appropriate supportive services and also coordinates on-site wellness activities.
- AHA directly provides youth and senior enrichment programs and support.

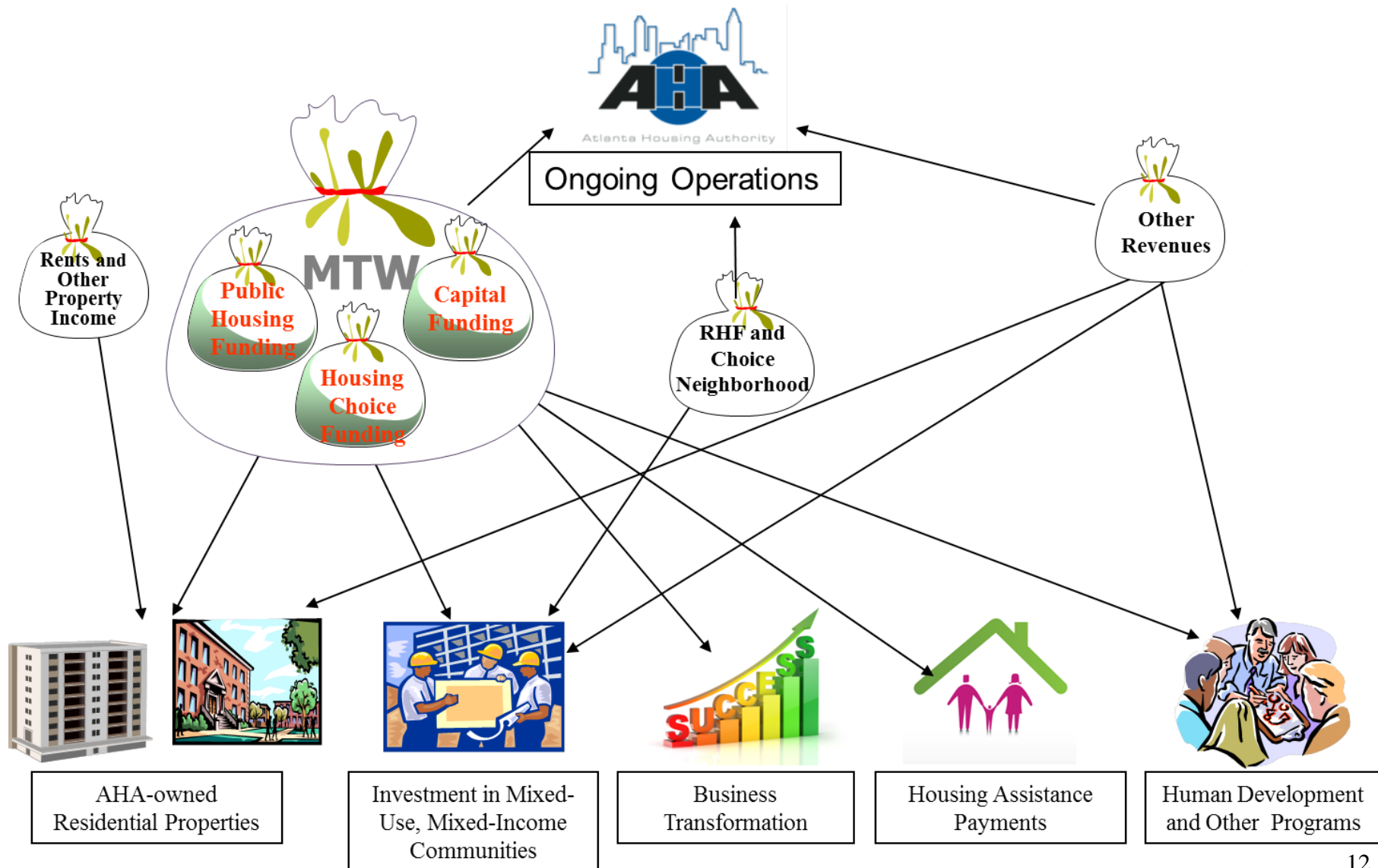
To further enhance its human development strategy, during FY 2013, AHA will develop and implement life-cycle strategies for families, broaden and deepen its strategic partnerships with the education and foundation communities, and establish an endowment fund for long-term sustainability of investments in human development services and other non-HUD-funded initiatives.

The major FY 2013 activities supporting Priority 3 include:

- A. Implement comprehensive human development life-cycle strategies leading to family self-sufficiency;

- B. Advance early childhood education strategy and other education partnerships;
- C. Explore establishment of an endowment fund for human development services;
- D. Develop and implement aging-well programs for elderly and disabled persons;
- E. Develop and implement programs focused on youth.

## Sources and Uses of Funds



## GENERAL BUDGET ASSUMPTIONS

The FY 2013 Budget (the “Budget”) is presented in a “Sources of Funds” and “Uses of Funds” format. Non-cash accounts such as depreciation and amortization are not included in this presentation.

## SOURCES OF FUNDS ASSUMPTIONS

### **Moving to Work (MTW) Single Fund**

Under AHA’s MTW Agreement, AHA administers its funding for the Housing Choice Vouchers (HCVP), Public Housing Operating Subsidy (Operating Subsidy), and Capital Fund Program (CFP) as a single MTW fund in a substantially less-regulated environment with increased programmatic flexibility. Notwithstanding this increased flexibility, there remain ongoing program-specific budgeting, accounting and reporting responsibilities to HUD. AHA will continue to receive funds from these three program areas in accordance with HUD’s annual appropriations process.

### **Fiscal Years, the Congressional Appropriations Process and HUD Funding**

HUD’s HCVP, Operating Subsidy and CFP are funded through the annual federal appropriations process. In November 2011, the President signed the Consolidated and Further Continuing Appropriations Act 2012, Public Law 112-55 (2012 Appropriations Act) which includes the funds that HUD is providing to public housing authorities for calendar year 2012, HUD’s Funding Year (HFY).

AHA’s fiscal year begins on July 1 and ends on June 30. The AHA FY 2013 Budget, therefore, includes six months (July–December 2012) which will be funded based on HFY 2012. HUD has provided AHA with the HFY 2012 funding levels for AHA’s HCVP, Operating Subsidy and CFP award.

The last six months of AHA’s FY 2013 Budget will be funded based on HFY 2013 funding. Because the Congressional Fiscal Year 2013 appropriations process has just begun, AHA cannot be sure of the outcome of the appropriations process and its impact on AHA’s FY 2013 funding levels, especially in light of the Federal deficit and competing national priorities.

Comparison of AHA's Fiscal Year to HUD's Funding Year																							
Calendar Year 2012												Calendar Year 2013											
Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
HUD Funding Year (HFY) 2012												HUD Funding Year (HFY) 2013											
AHA Fiscal Year 2012						AHA Fiscal Year 2013												AHA Fiscal Year 2014					



## HUD Proration Factors, Treatment of Reserves and Allocation Adjustments

HUD funds a public housing authority (PHA) based on its determination of the PHA's authorization using calculations unique to each HUD program. HUD compares the total authorizations for all PHAs with the funds provided by Congress for each program. HUD then applies a reduction factor, known as proration, to each PHA's authorization to determine the actual level of funding. For example, a 90% proration would provide only 90% of authorized funding to a PHA.

The 2012 Appropriations Act provided a new twist to proration. The act reduced HUD's 2012 funding and authorized HUD to, in turn, reduce funding to PHAs based on the level of each PHA's reserves. These reserves represent unspent cash balances that have accumulated in PHA Public Housing and HCVP programs, and are recorded as reserves for those two programs on the PHA financial statements. Because of AHA's MTW Agreement and its MTW Single Fund, AHA's financial statements do not reflect any Public Housing or HCVP program reserves, but only MTW "reserves."

The 2012 Appropriations required HUD to "offset" up to \$750,000,000 in Public Housing reserves from PHAs across the country. As described above, AHA and other MTW agencies have no Public Housing reserves. Instead of offsetting Public Housing reserves, HUD applied an allocation adjustment on its funding to MTW agencies based on the average percentage reduction applied to "peer" agencies in the same size category. Even after the application of the allocation adjustments, HUD was required to impose a 95% proration on

Operating Subsidy to stay within appropriation funding levels. The total impact on the allocation adjustment and proration on AHA was a 12% reduction of HFY 2012 Operating Subsidy.

The 2012 Appropriations Act also required HUD to offset up to \$650 million in HCVP reserves from PHAs. HUD allocated this offset to the PHAs based on HCVP reserves reported by the agencies in their financial statements. HUD did not, however, apply a peer adjustment to MTW agencies for the HCVP, resulting in HCVP funding to AHA of approximately 100% of the authorized amount after accounting for annual adjustments for inflation and a 99.6% proration.

A bill currently being debated in the U.S. House of Representatives, "Affordable Housing and Self-Sufficiency Improvement Act of 2012," includes a provision that would require HUD to apply the same peer adjustment to MTW agencies for 2013 and future years for all programs as was done in 2012 public housing reserves. At this time, the fate of this bill and HUD 2013 appropriations is uncertain.

Because of the uncertainty of HUD funding during the last half of AHA's FY 2013, AHA has made the following proration assumptions based on best available information which is described further for each funding source.

HUD Program	HFY 2012 "Proration" Actual	HFY 2013 "Proration" Estimate
Housing Choice Vouchers	100.0%	98.0%
Public Housing Operating Funds	88.0%	85.0%

### **Voluntary Conversion (Reformulation) Demonstration Program**

During FY 2013, AHA will continue to explore a subsidy reformulation strategy in collaboration with HUD and AHA's private-sector business partners that will improve the long-term financial sustainability of mixed-income rental communities by converting the Section 9 operating subsidy that supports units occupied by low-income households in these communities (ACC Units) into Section 8 project-based rental assistance. Overall, the aim of this strategy is to sustain and preserve the public and private investments in the mixed-income rental communities utilizing AHA's PBRA program as designed and implemented by AHA pursuant to its MTW Agreement.

AHA and HUD have agreed that HUD's Voluntary Conversion process will be the most practical vehicle to implement the proposed demonstration program using AHA's MTW flexibility. AHA and HUD further agreed that HUD's consideration of AHA's Voluntary Conversion (Reformulation) Demonstration prior to the implementation of HUD's Rental Assistance Demonstration (RAD) may inform HUD's implementation of RAD. With HUD's concurrence, AHA submitted a Voluntary Conversion application to HUD's Special Applications Center for the conversion of the 301 ACC Units in the four rental phases of Centennial Place pursuant to AHA's plan for the Voluntary Conversion (Reformulation) Demonstration.

The FY 2013 Budget assumes that HUD will approve AHA's application for the Voluntary Conversion of the four rental phases of Centennial Place with an effective date of July 1, 2012. In following this assumption, the FY 2013 Budget, therefore, reflects a reduction of approximately \$1.2 million in

HUD Operating Subsidy and CFP funding with an increase of approximately \$1.6 million in HUD Housing Choice Voucher funding for a net increase of \$400,000. The portion of the reduction attributable to CFP funding noted above will not be available in FY 2013 but the reduction in the next CFP grant award will be reflected in the FY 2014 budget.

### **Housing Choice Voucher Program (HCVP) Funds (Schedule A)**

AHA's FY 2013 Budget includes \$197.6 million in HCVP funding. This is composed of \$188.1 million in funding for MTW qualified vouchers (MTW HCVP) and approximately \$9.5 million in non-MTW vouchers.

- HUD has committed to providing AHA with \$94.0 million in MTW HCVP funding based on 18,737 MTW vouchers for the period of July 1 through December 31, 2012.
- Based on an estimated proration of 98%, AHA projects it will receive \$92.5 million from HUD in MTW HCVP funding for the period of January 1 through June 30, 2013 based on 18,909 MTW vouchers.
- AHA anticipates receiving 160 additional vouchers from HUD as part of the Reformulation Demonstration described in the section above. AHA estimates that this will result in \$1.6 million in additional HCVP funding.

From time to time, HUD provides AHA with additional vouchers when property owners involved in other HUD programs in AHA's jurisdiction opt out of those programs and HUD authorizes tenant assistance vouchers to the affected residents. Such vouchers are administered by AHA and are not

considered MTW vouchers for the first 12 months. AHA routinely elects to add these vouchers to the MTW voucher count upon the first anniversary of the voucher award. AHA projects that it will receive approximately \$1.0 million for such vouchers in FY 2013 before their inclusion in MTW funding.

While AHA receives most of its HCVP funds as part of its MTW Single Fund, it receives separate funds for 550 special-purpose non-MTW vouchers. These special purpose, non-MTW Vouchers are Mainstream, Family Unification Program and Veterans Affairs Supportive Housing (VASH) vouchers. Such vouchers, by virtue of the related appropriations language, will never be eligible to be included in AHA's MTW Single Fund and are calculated using HUD's standard formulas. During FY 2013, HUD will provide approximately \$8.0 million in HCVP funds and an estimated \$500,000 in administrative fees to fund these non-MTW vouchers. Participants using these vouchers are managed in AHA's MTW program, but special accommodations apply in accordance with HUD guidance for these special vouchers.

*For simplicity of presentation, all non-MTW vouchers and their related revenue and expenses are included as MTW Housing Choice vouchers in the Sources and Uses of Funds schedule, although they are managed as special purpose vouchers and reported to HUD separately.*

### **Public Housing Operating Subsidy (Operating Subsidy) (Schedule A)**

During FY 2013, AHA projects that HUD will provide \$12.0 million in Operating Subsidy based on the following assumptions:

- HUD has obligated \$7.8 million Operating Subsidy to AHA for the period of July 1 through December 31, 2012. This includes \$1.4 million in transitional subsidy under HUD's asset repositioning fee program for the last of the properties AHA demolished as part of its Quality of Life Initiative.
- AHA projects that HUD will provide \$4.2 million for the period of January 1 through June 30, 2013 based on an estimated 85% proration addressed previously.
- As described previously, AHA projects a \$1.2 million reduction in public housing funding attributable to Centennial Place related to the Reformulation Demonstration. This reduction is reflected in these Operating Subsidy funding levels.

### **Capital Fund Program (CFP) Funding (Schedule A)**

HUD establishes CFP budgets at the time of annual grant awards based on characteristics of public housing assisted units subsidized by AHA under its Annual Contributions Contract with HUD, as amended. While CFP funds are part of the MTW Single Fund, they are provided to AHA on a reimbursable basis and recorded as revenue at the time costs are incurred. Any unexpended portion of the grant may be used for future year expenditures during the term of the grant award. AHA projects the availability of \$4.7 million in new CFP funds for FY 2013.

In addition to the estimated \$4.7 million from the new CFP grant award, AHA will use the unexpended portion of prior year CFP grant awards during FY 2013. Therefore, AHA's FY 2013 Budget includes \$8.9 million in unexpended CFP

grant funds as an additional source of FY 2012 CFP funds, for a total of \$13.6 million.

### **Funding Not Included in the MTW Single Fund**

#### **Replacement Housing Factor Grants and Choice Neighborhood Planning Grant (Schedule A)**

- **Replacement Housing Factor (RHF) Grants** are used to fund activities under AHA's Revitalization Program. HUD calculates RHF funding based on the characteristics of public housing assisted units subsidized by AHA which have been demolished or sold and the replacement of which has not otherwise been funded by HUD. Similar to CFP funds, these are provided to AHA on a reimbursable basis and are recorded as revenue at the time costs are incurred. Any unexpended portion of the grant may be used for future year expenditures during the term of the grant award. During FY 2013, AHA has projected the use and drawdown of \$13.5 million in RHF funds related to the revitalization of AHA's master planned communities.
- **Choice Neighborhood Planning Grant**  
On March 18, 2011, AHA received a \$250,000 Choice Neighborhood Planning Grant award from HUD for the revitalization of the University Homes site and the surrounding neighborhood. This grant award allows AHA to create a comprehensive "Transformation Plan," or road map, for the revitalization of the University Homes area. AHA plans to spend the balance of the grant during FY 2013.

#### **Tenant Dwelling Revenue (Schedule A)**

AHA projects it will receive \$5.4 million in Tenant Dwelling Revenue from the 13 AHA-Owned Residential Communities during FY 2013.

Rent collected by the Owner Entities from AHA-assisted residents in mixed-income communities is not revenue to AHA because AHA does not own or control these properties. AHA provides operating subsidy to the Owner Entities of these communities for the AHA-assisted units to the extent rent collected from the AHA-assisted residents does not cover the operating cost attributable and related to such units, pursuant to the regulatory and operating agreement between the Owner Entity and AHA.

#### **Georgia HAP Administrators, Inc. dba National Housing Compliance (Schedule A)**

AHA will continue its fee-based business relationship with Georgia HAP Administrators, Inc., *dba* National Housing Compliance (NHC). AHA, as a member of NHC, earns unrestricted fees generated by performance-based contract administration (PBCA) services conducted by NHC on behalf of HUD. No MTW or other AHA restricted funds support NHC operations. NHC will continue to provide PBCA services in Georgia and Illinois until HUD awards the PBCA contracts under the national solicitation that closes on June 11, 2012. During FY 2013, AHA projects it will earn approximately \$500,000 as an NHC member.

### **Development and Transaction Fees (Schedule A)**

AHA projects that it will close one mixed-income, mixed-finance rental transaction in FY 2013 and is projected to earn approximately \$750,000 in Development and Transaction Fees related to the transaction. In addition, AHA anticipates earning approximately \$300,000 from participation in profits arising from the sale of single-family affordable homes.

### **Interest Income, Net of Banking Fees (Schedule A)**

AHA anticipates earning approximately \$300,000 in interest income on its investments and cash balances in FY 2013. This income is offset by projected banking fees of \$200,000.

### **Energy Performance Contract (EPC) Loan Draws (Schedule A)**

In FY 2012, AHA consummated an energy performance contract (EPC) which uses a \$9 million EPC bank loan along with \$2 million in supplemental MTW funds to further implement energy conservation and efficiency solutions at the AHA-Owned Residential Communities. The EPC structure provides for the \$9 million bank loan to be repaid through future energy savings. Draws on the loan began in FY 2012 and the balance of the loan not drawn in by the end of FY 2012 will be drawn in FY 2013, currently estimated to be \$3.1 million.

## **USES OF FUNDS ASSUMPTIONS**

### **Housing Assistance Payments (HAP) and Voucher Portability Administrative Fees (Schedule B)**

During FY 2013, AHA projects it will provide Housing Assistance Payments (HAP) to various Owner Entities and pay Voucher Portability Administrative Fees totaling \$149.5 million as follows:

- **Tenant-Based Vouchers, Homeownership Vouchers and Voucher Portability Administrative Fees (Schedule B)**

The Budget includes \$93.0 million in HAP to support AHA's Housing Choice Tenant-Based Voucher program. This Budget will support approximately 9,300 Housing Choice participant households including approximately 6,800 households in AHA's jurisdiction and 2,500 households for whom AHA is responsible, but who reside outside AHA's jurisdiction and have "ported" their voucher to that jurisdiction under HUD's voucher portability policy. AHA will pay approximately \$1.3 million in Voucher Portability Administrative Fees to other public housing authorities to administer these ported vouchers. As stated earlier in the Budget Guidance section, AHA is committed to serving substantially the same number of households it was serving at end of FY 2011. To accomplish this goal, AHA intends to issue 300 vouchers to eligible households drawn from AHA's Housing Choice waiting list.

Also included in these budgeted expenditures are payments for 84 vouchers used to assist qualified households in making monthly homeownership mortgage payments.

### **Project Based Rental Assistance (PBRA) (Schedule B)**

The Budget includes \$42.3 million in HAP to support AHA's PBRA program. Pursuant to the PBRA Agreement between the Owner Entity and AHA, the Owner Entity agrees to set aside an agreed percentage of the units in a market rate or supportive housing community in exchange for PBRA assistance for such units, thereby making such units affordable to eligible low-income households. This Budget will support over 5,300 AHA-assisted households at more than 73 participating mixed-income or supportive housing. To meet its target for serving substantially the same number of households at the end of FY 2013 as it was serving at FY 2011, AHA intends to issue several RFPs during FY 2013 to add 600 additional units under its PBRA Program.

### **Mixed-Income Communities Operating Subsidy for AHA-Assisted Units (Schedule B)**

Each AHA-Sponsored mixed-income, mixed-finance (MIMF) rental community is owned by a public/private partnership. As a part of the development agreement, AHA provides subsidy for assisted units. The Budget includes \$14.2 million in HAP in the form of subsidy to support 2,471 households at 37 AHA-Sponsored MIMF communities.

### **Direct Divisions — Operating Expense (Schedule C)**

During FY 2013, AHA will complete a reorganization of its operations into two distinct components: real estate activities; and Housing Choice operations. Since the reorganization will not be complete prior to the publication of this Budget, the FY 2013 Budget reflects the current organization.



The Budget includes \$16.9 million in operating expense for AHA's business lines which follow:

- **Housing Choice Operations** manages AHA's tenant-based voucher program.
- **Real Estate Management (REM)** services are provided through a strategic program management agreement. This department monitors the operation and capital improvement work performed by professional management companies for the AHA-Owned Residential Communities and corporate headquarters. This division also supports the other operating divisions by providing technical and specialty services on an as-needed basis.
- **Asset Management** manages AHA's investments in the PBRA and MIMF communities, supportive housing and AHA's real estate, excluding 13 AHA-Owned Residential Communities and AHA's corporate headquarters which are managed by REM and Corporate Services, respectively.
- **Real Estate Development and Acquisitions** manages AHA's development and revitalization activities.
- **Community, Governmental and External Affairs** manages AHA's relations with local government and community stakeholders. This department also facilitates partnerships for human development services for AHA-assisted households.

### **Corporate – Administrative Expense (Schedule D)**

The Budget includes \$28.1 million in administrative expense for AHA's corporate cost centers which support AHA's operating divisions:

- **Executive Office** provides strategic leadership and guidance to the enterprise.
- **Office of General Counsel** provides legal support for all of AHA's business lines and activities through in-house counsel and external legal services.
- **Finance Department** provides financial leadership and services including accounting, budget and planning, reporting and business intelligence.
- **Internal Audit Department** assists the enterprise in monitoring the integrity of the financial statements, effectiveness of internal controls, and adherence to policy and regulatory requirements.
- **Records & Information Management Department** supports the life-cycle management of AHA's physical and electronic documents/records, and provides printing, copying and other administrative services.
- **Information Technology Department** leads the technology strategy for AHA including design, implementation and management of the systems required to support operations. This department also provides day-to-day IT support to the enterprise.
- **Acquisition & Management Services Department** leads AHA's contracting and procurement function.

- **Strategy & Innovation Department** leads strategic planning for the enterprise, production of the MTW Business Plan, Annual Plans and Reports, and business development and fundraising.
- **Office of Policy, Research & Development** coordinates the development and documentation of AHA's corporate policies, and strategically guides and facilitates all research undertaken by third-party researchers.
- **Enterprise Program Management Office** provides best practice project management services and tools for the enterprise, facilitates communication, decision-making and alignment with strategic objectives to ensure projects are completed on-time and within budget.
- **Corporate Services** manages the HUD 50058 reporting of family information for the enterprise; manages AHA's corporate headquarters building, fleet and security; and manages other special projects.
- **Communications Group** maintains the enterprise standard for all communications, as well as developing and executing AHA's enterprise-wide communications strategy, supporting both AHA's internal company intranet and its external Internet website.
- **Human Resources Operations** leads the people strategy for the enterprise including the organization design, recruitment, talent management, retention and professional development. This department also manages payroll, employee benefits, the pension plan and employee communications.

### **Pay for Performance Program (Schedules C and D)**

AHA initiated an employee performance management and compensation program in FY 2012. This program more closely ties employee compensation to corporate and individual performance. The FY 2013 Budget includes \$1.3 million in incentives and related employer costs to support the Pay for Performance component of the program. Because the distribution of this amount will not be known until the end of FY 2013, Schedules C and D split the budget between the Direct Operating Divisions and the Corporate Cost Centers based on projected salaries.

### **Employee Salaries Special Funding Restrictions**

The 2012 Appropriations Act restricted the use of Public Housing and Housing Choice Voucher funds appropriated in FFY 2012 for the payment of salaries of employees of local housing authorities who earn in excess of \$155,500, effective March 17, 2012 through the end of each of agency's 2012 fiscal year (June 30, 2012 for AHA). AHA has 15 employees with salaries over \$155,500 for this period resulting in approximately \$600,000 in excess of the Congressional limitation. In accordance with guidance from HUD, such amount is being paid from eligible sources during the restricted period. There is a similar restriction proposed in the House language for FFY 2013 Appropriations, but not in the Senate version. If required, AHA will identify the appropriate funding sources for FY 2013 based on the outcome of the legislation.

### **Human Development Support Services & Community Relations (Schedule E)**

AHA projects spending approximately \$2.7 million for programs and activities that enhance AHA's relationships with local government and community stakeholders, and facilitate connections to human development services for AHA-assisted households. These services are in addition to those provided directly by PMCOs at AHA-Owned Residential Communities, which are addressed in Schedule F.

### **Operating Expense for AHA-Owned Residential Communities and AHA Properties (Schedule F)**

AHA is projecting to spend \$20.2 million to operate AHA-Owned Residential Communities including human development services. In addition, this budget supports property maintenance and security at the AHA headquarters and at other AHA-Owned real estate.

### **Modernization of AHA-Owned Communities and AHA Headquarters Capital Expenditures (Schedule G)**

AHA is projecting to spend \$14.46 million in FY 2013 to improve the physical conditions of the AHA-Owned Residential Communities and to improve the quality of life of the residents. Of the \$14.46 million, \$3.15 million will be used for energy-related improvements (see "Sources" section for details on the EPC loan) and \$11.31 million will be used for non-energy related renovations.

AHA is also projecting to spend \$1.0 million on capital expenditure during FY 2013 including technology investments, scanning equipment, capital improvements to AHA's corporate headquarters and replacement of fleet vehicles.

### **Development and Revitalization (Schedule H)**

AHA projects that it will spend \$26.9 million on development and revitalization activities in FY 2013 as it continues to advance the master plans for eight AHA-sponsored master-planned mixed-use, mixed-income communities, and to explore uses for other AHA properties. Additional details by community are provided in AHA's FY 2013 MTW Annual Implementation Plan.

### **ERP Solution (Schedule I)**

As AHA continues its implementation of the major components of the ERP Solution, it anticipates spending approximately \$4.1 million, bringing the total projected spend to \$14.3 million on this project.

### **Non-ERP Hardware and Software Solutions (Schedule J)**

In addition to the implementation of ERP, AHA anticipates implementing additional software solutions in FY 2013. AHA projects that it will spend \$690,000 on these projects.

### **USE OF ACCUMULATED CASH BALANCES**

AHA has accumulated cash in prior years which is classified as either “Unrestricted” or “Restricted” based on HUD guidance:

*Unrestricted Cash* — includes cash that is available for any program purposes including current operations. Because the funds are not tied to a certain program or property, they are classified as unrestricted. They remain subject, however, to varying degrees of HUD restrictions. For example, HUD approval is required, with some limited exceptions, to use or deploy these funds strategically outside of the ordinary course of AHA’s business under the MTW Agreement. In all cases, AHA’s assets are subject to the limitations of AHA’s charter and the Housing Authorities Laws of the State of Georgia.

*Restricted Cash* — includes cash that is only to be expended for specific purposes based on the source of the money. AHA’s restricted cash generally includes: proceeds from the sale of property acquired with grant or development funds; program income from specific grants; income generated from development activities; partnership operating reserves; and public improvement funds. The majority of these funds are restricted to revitalization activities.

### **Non-current Year Sources of Funds (See Consolidated Budget Schedule and Schedule A)**

#### **Drawdown of Reserves Accumulated and Restricted for Revitalization Activities**

AHA, in partnership with its private-sector development partners, will continue to advance its revitalization master plans for sustainable, market-rate quality, mixed-use, mixed-income communities. During FY 2013, AHA

anticipates using \$11.8 million in Restricted Cash that has been accumulated for these purposes. The balance of the FY 2013 revitalization activities will be funded primarily with HUD RHF grants and City of Atlanta Public Improvement funds.

#### **Drawdown of Reserves Accumulated for MTW Activities**

In accordance with the terms of AHA’s MTW agreement, HUD has provided AHA funds under the Housing Choice Vouchers and Public Housing Operating Subsidy programs and CFP grants each year since 2004, which were combined into AHA’s MTW Single Fund. If annual MTW Single Fund revenue exceeded the MTW expenditure, the balance was transferred to AHA’s MTW reserve to be used for planned MTW activities in future years and to supplement future annual HUD MTW funds when proration reduced funding below levels necessary to meet AHA’s mission and MTW objectives. During FY 2013, AHA anticipates using \$3.5 million in MTW Reserves.

#### **Public Improvement Funds provided by the City of Atlanta and Affiliates**

The City of Atlanta and its affiliates support AHA’s revitalization activities by providing funds for infrastructure and other public improvements. The City typically raises these funds through the sale of bonds for the development of specific areas or for specific purposes (e.g., Tax Allocation District (TAD) bond for Capital Improvements and Water & Sewer bonds). Depending on the source of funding, the City either provides the funds to AHA in advance of construction or as reimbursement for

completed construction. During FY 2013, AHA anticipates using \$2.6 million in Public Improvement Funds provided by the City of Atlanta and Affiliates.

### **RECLASSIFICATIONS WITHIN THE FY 2013 BUDGET**

AHA is authorized to reallocate between departments, funding sources and accounts, as necessary, to execute the FY 2013 Annual MTW Implementation Plan as long as AHA remains within the FY 2013 Budget authority approved by AHA's Board of Commissioners.

### **BUDGET TO ACTUAL REPORTING**

At least quarterly, AHA will provide reports of actual revenue and expenditures against this Budget and explain significant variances.

**The Housing Authority of the City of Atlanta, Georgia**  
**FY 2013 Budget**  
**(Excludes Non-Cash Items)**

Schedule	Sources & Uses of Funds (Consolidated)	
	<b>Sources of Funds</b>	
	MTW Single Fund	
	Housing Choice Voucher Funds (HCVP)	\$197,639,069
	Public Housing Operating Subsidy	12,020,297
	Capital Funds Program (CFP)	13,621,000
	<b>Total MTW Single Fund</b>	<b>\$223,280,366</b>
	Replacement Housing Factor Funds and Choice Neighborhood Planning Grants	\$13,508,890
	Tenant Dwelling Revenue	5,381,950
	Georgia HAP Administrators, Inc. dba National Housing Compliance	500,000
	Development and Transaction Fees	1,044,000
	Interest Income, Net of Banking Fees	96,067
	Draws on Energy Performance Contract (EPC) Bank Loan	3,148,000
	Other Revenue	146,658
<b>A</b>	<b>Total Sources of Funds</b>	<b>\$247,105,931</b>

*Schedule continued on next page*



**The Housing Authority of the City of Atlanta, Georgia**  
**FY 2013 Budget**  
**(Excludes Non-Cash Items)**

Schedule

**Sources & Uses of Funds (Consolidated)**

*Schedule continued from previous page*

**Uses of Funds**

<b>B</b>	Housing Assistance Payments (HAP) and Administrative Fees	\$149,530,787
<b>C</b>	Direct Divisions — Operating Expense	16,931,825
<b>D</b>	Corporate — Administrative Expense	28,099,182
<b>E</b>	Human Development Support Services & Community Relations	2,695,816
<b>F</b>	Operating Expense for AHA-Owned Residential Communities and AHA Properties	20,224,023
<b>G</b>	Modernization of AHA-Owned Residential Communities and AHA Headquarters Capital Expenditures	15,505,133
<b>H</b>	Development and Revitalization	26,886,287
<b>I</b>	ERP Solution (FY 2013 Expenditures)	4,091,344
<b>J</b>	Non-ERP Hardware and Software Solutions	690,480

**Total Uses of Funds** **\$264,654,877**

**Uses in Excess of Sources of Funds** **(\$17,548,946)**

**Non-current Year Sources of Funds\***

**Reserves Accumulated in Prior Periods**

Drawdown of Reserves Accumulated and Restricted for Revitalization Activities	\$11,813,914
Drawdown of Reserves Accumulated for MTW Activities	3,533,264

**Public Improvement Funds Provided by the City of Atlanta and Affiliates** 2,571,768

**Total Non-current Year Sources of Funds** **\$17,918,946**

**Funds Not Used for Current Year's Activities \*\*** **\$370,000**

\* See page 23 of the Budget Narrative for additional information.

\*\* Net income generated from participation in Georgia HAP Administrators, Inc. *dba* National Housing Compliance, is AHA's least restricted funding source and is only used for selected activities.

## Sources & Uses of Funds by Major Activities and Programs

### Schedule A

Schedule		MTW Program	Georgia HAP <i>dba</i> NHC	Revitalization Program	Total FY 2013 Budget
A	<b>Sources of Funds</b>				
	Housing Choice Voucher Funds (HCVP)	\$197,639,069	\$0	\$0	\$197,639,069
	Public Housing Operating Subsidy	12,020,297	0	0	12,020,297
	Capital Funds Program (CFP)	13,621,000	0	0	13,621,000
	Replacement Housing Factor Funds and Choice Neighborhood Planning Grants	0	0	13,508,890	13,508,890
	Tenant Dwelling Revenue	5,381,950	0	0	5,381,950
	Georgia HAP Administrators, Inc. <i>dba</i> National Housing Compliance	0	500,000	0	500,000
	Development and Transaction Fees	1,044,000	0	0	1,044,000
	Interest Income, Net of Banking Fees	96,067	0	0	96,067
	Draws on Energy Performance Contract (EPC) Bank Loan	3,148,000	0	0	3,148,000
	Other Revenue	146,658	0	0	146,658
A	<b>Total Sources of Funds</b>	<b>\$233,097,041</b>	<b>\$500,000</b>	<b>\$13,508,890</b>	<b>\$247,105,931</b>
B C D E F G H I J	<b>Uses of Funds and Accumulated Cash Balances</b>				
	Housing Assistance Payments (HAP) and Administrative Fees	\$149,530,787	\$0	\$0	\$149,530,787
	Direct Divisions — Operating Expense	15,923,540	0	1,008,285	16,931,825
	Corporate — Administrative Expense	27,969,182	130,000	0	28,099,182
	Human Development Support Services & Community Relations	2,695,816	0	0	2,695,816
	Operating Expense for AHA-Owned Residential Communities and AHA Properties	20,224,023	0	0	20,224,023
	Modernization of AHA-Owned Residential Communities and AHA Headquarters Capital Expenditures	15,505,133	0	0	15,505,133
	Development and Revitalization	0	0	26,886,287	26,886,287
	ERP Solution (FY 2013 Expenditure)	4,091,344	0	0	4,091,344
	Non-ERP Hardware and Software Solutions	690,480	0	0	690,480
	<b>Total Uses of Funds</b>	<b>\$236,630,305</b>	<b>\$130,000</b>	<b>\$27,894,572</b>	<b>\$264,654,877</b>
	<b>Uses in Excess of Sources of Funds</b>	<b>(\$3,533,264)</b>	<b>\$370,000</b>	<b>(\$14,385,682)</b>	<b>(\$17,548,946)</b>
	<b>Non-current Year Sources of Funds</b>				
	<b>Reserves Accumulated in Prior Periods</b>				
	Drawdown of Reserves Accumulated and Restricted for Revitalization Activities	\$0	\$0	\$11,813,914	\$11,813,914
	Drawdown of Reserves Accumulated for MTW Activities	3,533,264	0	0	3,533,264
	<b>Public Improvement Funds Provided by the City of Atlanta and Affiliates</b>	<b>0</b>	<b>0</b>	<b>2,571,768</b>	<b>2,571,768</b>
	<b>Total Non-current Year Sources of Funds</b>	<b>\$3,533,264</b>	<b>\$0</b>	<b>\$14,385,682</b>	<b>\$17,918,946</b>
	<b>Funds Not Used for Current Year's Activities</b>	<b>\$0</b>	<b>\$370,000</b>	<b>\$0</b>	<b>\$370,000</b>

## Housing Assistance Payments (HAP) and Administrative Fees

### Schedule B

Tenant-Based and Homeownership Vouchers and Voucher Portability Administrative Fees*	\$93,015,065
Project Based Rental Assistance (PBRA)*	42,339,066
Mixed-Income Communities Operating Subsidy for AHA-Assisted Units	14,176,656
<b>Total Housing Assistance Payments (HAP) and Administrative Fees</b>	<b>\$149,530,787</b>

**\*As stated in the Budget Guidance section of the narrative, AHA is committed to serving substantially the same number of households it was serving at the end of FY 2011. To accomplish this goal, AHA intends to issue 300 vouchers to eligible households drawn from AHA's Housing Choice waiting list and to issue several RFPs during FY 2013 to add 600 additional units under its PBRA Program.**

## Direct Divisions — Operating Expense Schedule C

	Salaries, Benefits & Taxes	Professional Services	Outsourced Real Estate Services	Other Staff Augmentation	Other	Total
<b>Direct Divisions — Operating Expense*</b>						
Housing Choice	\$6,787,903	\$464,155	\$181,775	\$326,720	\$238,139	\$7,998,692
Real Estate Management — AHA-Owned Properties	128,774	188,194	1,548,806	0	2,630	1,868,404
Real Estate Management — Other Services	0	0	1,300,306	0	0	1,300,306
Asset Management**	1,210,159	0	0	0	22,030	1,232,189
Real Estate Development & Acquisitions	2,068,744	0	208,120	0	33,766	2,310,630
Community, Governmental & External Affairs	1,554,890	75,000	0	0	41,714	1,671,604
Pay for Performance Program	550,000	0	0	0	0	550,000
<b>Total Direct Divisions — Operating Expense</b>	<b>\$12,300,470</b>	<b>\$727,349</b>	<b>\$3,239,007</b>	<b>\$326,720</b>	<b>\$338,279</b>	<b>\$16,931,825</b>

\*To support the Enterprise-wide Business Transformation Initiative, including the ERP Solution, one-time expenses for additional staffing resources needed to maintain service levels to customers, sustain day-to-day operations and meet expected surges in activity during FY 2013 are included above.

\*\*In previous years, the costs associated with the Office of Policy Research & Development were included in Asset Management. This Office is now included as a separate line item on Schedule D.

## Corporate — Administrative Expense Schedule D

	Salaries, Benefits & Taxes	Professional Services	Outsourced Real Estate Services	Other Staff Augmentation	Software Maint., Licenses & Non- Capitalized Hardware/ Software	Other	Total
<b>Corporate — Administrative Expense*</b>							
Executive Office	\$872,908	\$84,000	\$0	\$0	\$0	\$119,357	\$1,076,265
General Counsel including External Legal Services	2,169,490	565,000	0	0	0	74,375	2,808,865
Finance	1,740,871	570,000	0	192,000	0	19,550	2,522,421
Internal Audit	85,825	150,000	0	0	0	5,000	240,825
Records & Information Management	1,314,704	30,000	0	0	0	664,928	2,009,632
Information Technology	4,645,308	0	0	464,843	1,862,480	464,624	7,437,255
Acquisition & Management Services	956,774	0	0	0	0	61,205	1,017,979
Strategy & Innovation	448,903	256,000	108,020	0	0	46,460	859,383
Office of Policy Research & Development**	591,081	400,000	0	0	0	7,425	998,506
Enterprise Program Management Office	559,840	0	0	778,520	0	8,000	1,346,360
Corporate Services	496,167	100,000	365,983	0	0	410,296	1,372,446
Communications Group	223,667	120,000	0	0	0	10,000	353,667
Human Resource Operations	1,230,728	101,000	0	155,000	0	182,323	1,669,051
Managed by Human Resources Department:							
Professional Development & Training	0	80,000	0	0	0	509,000	589,000
Business Transformation & Change Management	0	486,000	0	0	0	43,900	529,900
HR Technology Solutions	0	156,377	0	0	0	0	156,377
Recruitment Fees	0	250,000	0	0	0	0	250,000
Severance & Related Expense	0	82,750	0	0	0	389,500	472,250
Pension Contribution	0	0	0	0	0	1,500,000	1,500,000
Pension Consulting Services	0	150,000	0	0	0	0	150,000
Pay for Performance Program	739,000	0	0	0	0	0	739,000
<b>Total Corporate — Administrative Expense</b>	<b>\$16,075,266</b>	<b>\$3,581,127</b>	<b>\$474,003</b>	<b>\$1,590,363</b>	<b>\$1,862,480</b>	<b>\$4,515,943</b>	<b>\$28,099,182</b>

**\*To support the Enterprise-wide Business Transformation Initiative, including the ERP Solution, one-time expenses for activities such as change management, professional project management, instructional design and training delivery and communications are included above. Also, included are costs for additional staffing resources needed to maintain service levels to customers, sustain day-to-day operations and meet expected surges in activity during FY 2013.**

**\*\*In previous years, the costs associated with the Office of Policy Research & Development were included in Asset Management on Schedule C.**

## Human Development Support Services & Community Relations Schedule E

Community Relations*	\$119,500
Human Development Support**	2,084,416
Job Training & Education***	491,900
<b>Total Human Development Support Services &amp; Community Relations</b>	<b>\$2,695,816</b>

**\*Community Relations includes support for a variety of civic activities.**

**\*\*Human Development Support includes activities such as the provision of intensive case management for families with complex needs, the Good Neighbor training program, Aging Well programs for seniors, supportive services, and activities for youth.**

**\*\*\*Job Training & Education includes employment preparation and job training for participants.**



## Operating Expense for AHA-Owned Residential Communities and AHA Properties Schedule F

	Administrative Expense	Utilities	Maintenance & Operations	Protective Services	Other	Human Development Services	Total
<b>AHA-Owned Residential Communities</b>							
Barge Road Highrise	\$210,560	\$204,649	\$366,799	\$160,449	\$48,526	\$134,400	\$1,125,383
Cheshire Bridge Road Highrise	320,615	270,183	467,321	136,650	42,434	163,622	1,400,825
Cosby Spear Highrise	455,302	589,435	860,837	337,972	68,086	197,694	2,509,326
East Lake Highrise	269,017	246,120	422,850	142,934	40,716	129,646	1,251,283
Georgia Avenue Highrise	172,661	156,181	342,854	134,934	19,892	103,506	930,028
Hightower Manor Highrise	216,579	211,931	403,737	142,450	48,490	130,776	1,153,963
Juniper and Tenth Highrise	272,728	254,367	488,567	161,704	50,398	147,712	1,375,476
Marian Road Highrise	337,963	408,393	504,107	207,235	83,651	196,412	1,737,761
Marietta Road Highrise	208,180	208,991	369,492	148,617	45,292	135,529	1,116,101
Martin Street Plaza	124,060	270,223	262,339	143,216	12,081	79,356	891,275
Peachtree Road Highrise	363,025	361,641	581,352	139,950	54,788	175,533	1,676,289
Piedmont Road Highrise	369,169	442,078	524,390	150,884	43,463	165,537	1,695,521
Westminster	76,676	100,048	107,930	64,736	16,884	16,502	382,776
EPC Loan Payment	0	0	0	0	462,834	0	462,834
<b>Total AHA-Owned Residential Communities</b>	<b>\$3,396,535</b>	<b>\$3,724,240</b>	<b>\$5,702,575</b>	<b>\$2,071,731</b>	<b>\$1,037,535</b>	<b>\$1,776,225</b>	<b>\$17,708,841</b>
<b>Other AHA Properties</b>							
AHA Headquarters Building	\$287,045	\$259,498	\$655,754	\$279,825	\$18,725	\$0	\$1,500,848
Zell Miller Center	0	28,810	0	0	0	0	28,810
PILOT and Other AHA Land	0	233,130	375,695	0	376,699	0	985,524
<b>Total Other AHA Properties</b>	<b>\$287,045</b>	<b>\$521,438</b>	<b>\$1,031,449</b>	<b>\$279,825</b>	<b>\$395,424</b>	<b>\$0</b>	<b>\$2,515,182</b>
<b>Total Operating Expense for AHA-Owned Residential Communities and AHA Properties</b>	<b>\$3,683,580</b>	<b>\$4,245,678</b>	<b>\$6,734,025</b>	<b>\$2,351,556</b>	<b>\$1,432,959</b>	<b>\$1,776,225</b>	<b>\$20,224,023</b>

## Modernization of AHA-Owned Residential Communities and AHA Headquarters Capital Expenditures Schedule G

	Non-EPC Renovations	EPC Renovations	Total
<b>Modernization of AHA-Owned Residential Communities</b>			
Barge Road Highrise	\$919,432	\$600,000	\$1,519,432
Cheshire Bridge Road Highrise	1,078,518	335,000	1,413,518
Cosby Spear Highrise	1,264,701	0	1,264,701
East Lake Highrise	377,403	0	377,403
Georgia Avenue Highrise	228,261	145,000	373,261
Hightower Manor Highrise	1,052,553	105,000	1,157,553
Juniper and Tenth Highrise	972,707	0	972,707
Marian Road Highrise	1,395,583	760,000	2,155,583
Marietta Road Highrise	745,642	740,000	1,485,642
Martin Street Plaza	751,484	28,000	779,484
Peachtree Road Highrise	1,342,470	0	1,342,470
Piedmont Road Highrise	692,509	0	692,509
Westminster	490,120	15,000	505,120
EPC Contingency	0	420,000	420,000
<b>Total Modernization of AHA-Owned Residential Communities</b>	<b>\$11,311,383</b>	<b>\$3,148,000</b>	<b>\$14,459,383</b>

	<b>Capital Expenditures</b>
<b>AHA Headquarters Capital Expenditures</b>	
Technology Investments:	
Replacement for "End of Life" Server/Network Hardware	
Server, storage and security automation & management tools	
Equipment to support improved internal communications	
Document migration and scanning software	\$660,750
Capital Improvements to AHA Corporate Headquarters	155,000
Equipment	130,000
Fleet Vehicle Replacement	100,000
<b>Total AHA Headquarters Capital Expenditures</b>	<b>\$1,045,750</b>

<b>Total Modernization of AHA-Owned Residential Communities and AHA Headquarters Capital Expenditures</b>	<b>\$15,505,133</b>
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Development and Revitalization  
Schedule H

	<u>Revitalization Community</u>									Homeownership Down Payment Assistance	Future Development	Total
	Auburn Pointe	Capitol Gateway	The Villages at Carver	Centennial Place	West Highlands	Mechanicsville	Scholars' Landing	Collegetown at West End	Magnolia Perimeter			
Development and Revitalization Expenditures												
Demolition	\$550,000	\$405,000	\$0	\$0	\$0	\$200,000	\$0	\$0	\$120,000	\$0	\$0	1,275,000
Acquisitions	0	0	0	0	2,062,500	2,075,000	0	1,105,000	0	0	0	5,242,500
Predevelopment Loans	300,000	0	100,000	200,000	0	0	455,000	0	0	0	0	1,055,000
Loan Cost	4,675,000	0	0	0	0	0	0	0	0	0	0	4,675,000
Site Improvements	600,000	0	0	500,000	0	0	400,000	0	0	0	0	1,500,000
Homeownership	0	0	0	0	0	0	0	0	0	920,000	0	920,000
Extraordinary Sitework	20,186	300,000	162,000	0	0	0	379,146	0	0	0	20,000	881,332
Public Improvements Expense	0	571,768	0	2,000,000	5,923,353	0	1,177,766	0	0	0	0	9,672,887
Professional Services	90,000	105,000	40,000	30,000	30,000	45,000	430,807	30,000	0	0	559,500	1,360,307
Legal Expense	60,000	15,000	15,000	30,000	40,000	5,000	55,000	0	5,000	10,000	15,000	250,000
Contract Costs — Other	0	0	0	0	0	0	30,261	0	24,000	0	0	54,261
Total Development and Revitalization Expenditures	\$6,295,186	\$1,396,768	\$317,000	\$2,760,000	\$8,055,853	\$2,325,000	\$2,927,980	\$1,135,000	\$149,000	\$930,000	\$594,500	\$26,886,287
Sources of Funds												
RHF and Choice Neighborhoods Grants	\$6,927,304	\$0	\$0	\$700,000	\$0	\$2,095,000	\$2,856,586	\$0	\$0	\$930,000	\$0	\$13,508,890
City of Atlanta and Affiliates	0	571,768	0	2,000,000	0	0	0	0	0	0	0	2,571,768
Cash Balances Accumulated for Revitalization Activities	30,000	825,000	317,000	60,000	8,055,853	230,000	417,561	1,135,000	149,000		594,500	11,813,914
Total Sources of Funds	\$6,957,304	\$1,396,768	\$317,000	\$2,760,000	\$8,055,853	\$2,325,000	\$3,274,147	\$1,135,000	\$149,000	\$930,000	\$594,500	\$27,894,572
Fees for Service to Support Administrative Expenses*	\$662,118	\$0	\$0	\$0	\$0	\$0	\$346,167	\$0	\$0	\$0	\$0	\$1,008,285

\*AHA earns a fee for service to support administrative expenses involved in revitalization activities.

## ERP Solution\*

### Schedule I

	Original Projections <u>Before</u> Discovery, Design and Planning (DDP) January 2011	Revised Projections <u>After</u> Discovery, Design and Planning (DDP) June 2012	Spend by Period			
			FY 2011 and FY 2012	Budget FY 2013	Projections FY 2014	Projections FY 2015
<b>One-Time Investment</b>						
<b>YARDI Professional Services excluding Orion</b>						
Discovery, Design and Planning (DDP)	\$598,000	\$598,200	\$598,200	\$0	\$0	\$0
Implementation Services	1,940,473	2,584,480	784,580	1,649,900	150,000	0
Customizations	400,000	875,600	200,000	675,600	0	0
<b>Total YARDI Professional Services excluding Orion</b>	<b>\$2,938,473</b>	<b>\$4,058,280</b>	<b>\$1,582,780</b>	<b>\$2,325,500</b>	<b>\$150,000</b>	<b>\$0</b>
<b>Bolt-ons, Extensions, Integrations and Related Services     plus ECM Software and Related Services</b>	\$3,216,182	\$3,166,376	\$1,977,080	\$989,296	\$200,000	\$0
<b>Hardware</b>	422,216	325,000	325,000	0	0	\$0
<b>Transformation Professional Services</b>	4,280,000	4,280,000	4,240,000	40,000	0	\$0
<b>Total One-Time Investment</b>	<b>\$10,856,871</b>	<b>\$11,829,656</b>	<b>\$8,124,860</b>	<b>\$3,354,796</b>	<b>\$350,000</b>	<b>\$0</b>
<b>Software Licensing Costs</b>	\$1,886,375	\$2,010,625	\$434,981	\$486,548	\$544,548	\$544,548
<b>Total Projected Investment Excluding Contingency*</b>	<b>\$12,743,246</b>	<b>\$13,840,281</b>	<b>\$8,559,841</b>	<b>\$3,841,344</b>	<b>\$894,548</b>	<b>\$544,548</b>
<b>Variance</b>	\$1,097,035 8.61%					
<b>Contingency</b>		\$500,000	\$0	\$250,000	\$250,000	\$0
<b>Total Projected Investment*</b>	<b>\$12,743,246</b>	<b>\$14,340,281</b>	<b>\$8,559,841</b>	<b>\$4,091,344</b>	<b>\$1,144,548</b>	<b>\$544,548</b>
<b>Variance</b>	\$1,597,035 12.53%					

\*As a component of the Enterprise-wide Business Transformation Initiative, the ERP Solution is supported by AHA's Direct Divisions and Corporate Administrative Departments. See Schedules C and D.

## Non-ERP Hardware and Software Solutions Schedule J

### Non-ERP Hardware and Software Solutions\*

Intranet and Internet Redesign

\$400,000

e-Procurement Solution

290,480

### Total Non-ERP Hardware and Software Solutions

**\$690,480**