



Think Tank: Increasing Non-Federal Revenue

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Our Session

Increasing Non-Federal Revenue and PHA's

- Welcome
- The Hard Questions
- Generating Ideas
- Let's Talk





The Hard Questions

About Non-Federal Revenue

The Hard Questions

About Non-Federal Revenue

What is Non-Federal Revenue?

Financial resources provided by sources other than the federal government. The term does not include funds provided to a state or local government through a federal grant, unless the authorizing statute for that grant explicitly allows the funds to be used as a match for other federal grants. *(Dept of Homeland Security)*

Questions

- What is Non-Federal Revenue?
- How does Non-Federal Revenue fit into the MTW Block Grant?
- Why is Non-Federal Revenue Important?
- What Can Be Expensed with Non-Federal Funds?
- Why is it Important to Increase Non-Federal Revenue?

The Hard Questions

About Non-Federal Revenue

How does Non-Federal Revenue fit into the MTW Block Grant?

Traditional PHA



MTW PHA



Questions

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The Hard Questions

About Non-Federal Revenue

Why is Non-Federal Revenue Important?

Not all expenses can be paid through the traditional or MTW Block Grant funding channels. There are some expenses that can only be paid through non-federal means.

Questions

- What is Non-Federal Revenue?
- How does Non-Federal Revenue fit into the MTW Block Grant?
- **Why is Non-Federal Revenue Important?**
- What Can Be Expensed with Non-Federal Funds?
- Why is it Important to Increase Non-Federal Revenue?

The Hard Questions

About Non-Federal Revenue

What Can Be Expensed with Non-Federal Funds?

1. Difference in salaries over \$161.9K

(An executive has a \$180,000 salary. \$161,900 of that salary is paid from federal funds. \$18,100 is paid from non-federal funds.)

2. Lobby activities

3. Sponsorships

4. Memberships dues outside of the normal scope of business

5. Certain meals & entertainment *(After work functions)*

Questions

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- How does Non-Federal Revenue fit into the MTW Block Grant?
- Why is Non-Federal Revenue Important?
- **What Can Be Expensed with Non-Federal Funds?**
- Why is it Important to Increase Non-Federal Revenue?

The Hard Questions

About Non-Federal Revenue

Why is it Important to Increase Non-Federal Revenue? Questions

1. In the normal scope of business, expenses have to be paid
 2. Expands the political reach of PHAs
 2. Expands the brand of PHAs
 3. Expands the abilities of PHAs
- What is Non-Federal Revenue?
 - How does Non-Federal Revenue fit into the MTW Block Grant?
 - Why is Non-Federal Revenue Important?
 - What Can Be Expensed with Non-Federal Funds?
 - **Why is it Important to Increase Non-Federal Revenue?**



Generating Ideas

For Increasing Non-Federal Revenue

Generating Ideas

For Increasing Non-Federal Revenue

■ Underutilized Land & Property

- Cell Towers
- Parking
- Billboards
- Retail Space

■ Rental Space

- Work Space
- Meeting Space
- Event Space

■ Advertising & Marketing

- Website Ads
- Event Sponsorships
- Naming Rights
- Branded Trash Cans (PHA Owned)
- Bus Stop Advertisement (PHA Owned)
- Filming Rights

■ Vending & Concessions

- Vending Machines
- Concession Stands
- Washers & Dryers

Good Opportunities for Section 3 Businesses

■ Shared Services for Nearby PHA's

Outsource expertise for a fee, such as finance or development

■ Administrative Fees

For servicing another PHA

■ Tax Credits

- [Low-Income Housing Tax Credits \(LIHTC\)](#)
- [Historic Tax Credits](#)
- [New Market Tax Credits](#)

Generating Ideas

For Increasing Non-Federal Revenue

■ Energy Performance Contracts

Costs of energy improvements paid back through energy savings

■ 179D Energy Tax Credits

Tax Credits for energy improvements to buildings

- Partner with contractors
- For lighting, building envelop and HVAC improvements
- Requires third-party certifier
- Up to \$1.80 psf of improvements
- Expired in 2017
- Credit has not been renewed
- Bill in Congress to renew

■ **Affiliates & Instrumentalities**

- HUD allows 501c3 or 501c4 (*Non-Profit Corporations*)
- Consulting: Real Estate Development, Asset Management, Property Management, Development (*Affordable Housing & Mixed Use*)

■ **Loan Refinancing**

Refinancing older loans at lower interest rates

■ **RAD Conversions**

Transfer of RAD using LIHTC to fund rehab costs



Let's Talk

Time to Share Ideas on Non-Federal
Revenue Creation

Increasing Non-Federal Revenue





Danita Childers, Chicago Housing Authority



Thank You



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