



INFORMATIONAL REPORT

DATE ISSUED: May 21, 2009
REPORT NO: HCR 09-040
SUBJECT: Third Quarter Budget Status Report

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

The total amount available for expenditure in FY09 is \$329.9 million; this amount includes the FY09 budget of \$300.9 million plus the \$29.0 million of continuing appropriations from the previous year's balance of vendor/contractor commitments. The FY09 data indicates that the Housing Commission's overall expenditures and commitments remaining are more than budget expectation due to prior year commitments and less expenditures. Overall revenues received are slightly less than budget expectation due to the addition of \$16.2 of new awards to the budget in the third quarter.

BACKGROUND

The purpose of the Quarterly Budget Status Report is to show expenditure and revenue trends and possible deviations from the FY09 Budget plan. If funds were expended and revenues received equally throughout the year, it would be expected that, at the end of the third quarter, approximately 75% of the expenditures/commitments and revenues would be achieved.

DISCUSSION

There are three attachments to this report that show the status of expenditures and revenues for the third quarter of FY09. A summary of the Agency's Expenditures and Commitments by Activity as of March 31, 2009 is provided in Attachment 1. This attachment identifies by activity, the FY09 Original Budget, Revisions, Current Budget, Prior Year Continuing Appropriations, Expenditures, Commitments and the Remaining Balance of the budget and commitments. An overview of this attachment shows the balance for Housing Services is higher than expectation in salaries and benefits due to vacant positions in Property Management and Workforce & Economic Development. In Housing Development, the balance remaining is only slightly higher than expectation due to the commitment of \$8.7 million to purchase the Chollas Creek affordable housing project approved by Housing Commission and Housing Authority. In Housing Finance, the balance remaining is higher than expectation due to addition of three new awards to the budget

in the third quarter: The \$9.4 Neighborhood Stabilization Program; the \$4.0 million HUD Lead Reduction Demonstration grant; and \$3.0 million for the HUD Lead Control grant. As these programs incur expenditures, funds will be requisitioned from the funding sources. The Operations' balance is also higher than expected due to purchase of computer equipment expected in the fourth quarter. The Agency's expenditures and remaining commitments for all activities are \$184.2 million or 56% of the \$329.9 million total budget plus continuing appropriations. Of this amount, expenditures are \$147.5 million and remaining commitments are \$36.7 million.

Attachment 2 is a summary of the Agency's Expenditures and Commitments by Major Account as of March 31, 2009. This attachment identifies by major account, the FY09 Original Budget, Revisions, Current Budget, Prior Year Continuing Appropriations, Expenditure and Commitments and the Remaining Balance of the budget and commitments. An overview of this attachment shows that the balance remaining in Salaries & Benefits is greater than budget expectation due to position vacancies. The Supplies & Services balance is greater than expectation due to less expenditure in contracts/consultants due to contract services added in the third quarter for the two new HUD lead grants; in sundry due to less expenditure for photocopy, telephone and mileage; and in office equipment for computer equipment that will be purchased in the fourth quarter. In Housing Programs, the balance remaining is higher than expectation due to carryover of prior years' unspent Section 8 Voucher funds for rent to owners and less expenditures in loans & grants, site acquisition/housing development, capital improvements and relocation. In loans & grants and site acquisition/housing development projects are in the planning stages and will move forward in the next quarter. In capital improvements, contracts are in the bid process and work should begin in the fourth quarter. The relocation budget is funded by the asset management repositioning fees and will only be used for the relocation of residents who occupied the public housing units during the conversion.

Attachment 3 is a summary of the Agency's revenues as of March 31, 2009 by major revenue classification. This attachment identifies by major revenue source, the FY09 Original Budget, Revisions, Current Budget, Prior Year Continuing Appropriations, Revenues Received and the Percent Received. An overview of this attachment shows Restricted Revenues received are at 73% of budget. There is significant carryover and continuing appropriations in Section 8, Other HUD, Restricted Local funds and State funds. CDBG has carryover of foreclosure funds but new revenues are less than expectation. The contract for the FY09 Citywide award of CDBG to the Housing Commission is pending approval and no expenses will be incurred in this fund until the approval process is completed. In Other HUD, three awards totaling \$16.2 million were added in the third quarter, the Neighborhood Stabilization Program, HUD Lead Reduction Demonstration Grant and the HUD Lead Hazard Control Grant; as these programs incur expenditures, funds will be requisitioned from the funding sources. Unrestricted Revenues received are 70% of budget due to carryover and continuing appropriations in Local, Affordable Housing Funds and HOME. New revenues are less than expectation due to less fees and loan payoffs in Housing Trust Linkage, Inclusionary Housing and HOME program income. The Agency's revenues received were \$238.2 million or 72% of the \$329.9 million total budget plus continuing appropriations.

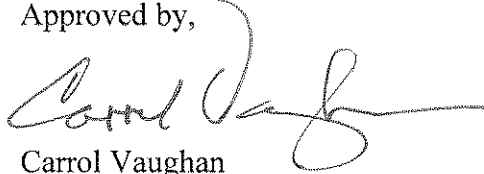
Since the original Housing Commission budget was approved on April 25, 2008, the FY09 Budget has been revised from \$265,032,348 to \$330,881,416. The increase in the FY09 Budget of \$35,451,167, which occurred in the third quarter, is mainly due to the addition of \$25,984,800 in the fall revision. This revision reconciled the estimates prepared for the original budget to the actual balances remaining as of June 30, 2008. There was also a \$2,257,491 revision adding Coastal and Inclusionary Housing funds to Rental Housing Finance for the Arbor Crest acquisition loan; a revision adding \$7,000,000 for the two new HUD lead control grants previously mentioned; a revision adding \$200,000 of Redevelopment Agency College Grove HELP funds to provide rehabilitation of owner occupied housing in the College Grove community; and three smaller revisions netting to \$8,876 adjusting the Workforce & Economic Development and Rehabilitation budgets for actual carryover and awards received. There were also ten revisions that transferred funds among activities and/or major line items.

Respectfully submitted,



John Pfeiffer
Chief Financial Officer

Approved by,



Carrol Vaughan
Executive Vice President & Chief Operating Officer

Montague (578-7732)

Attachments:

1. FY09 Summary of Expenditures and Remaining Commitments by Activity as of March 31, 2009
2. FY09 Summary of Expenditures and Remaining Commitments by Account as of March 31, 2009
3. FY09 Summary of Revenues Received as of March 31, 2009
4. FY09 Third Quarter Budget Amendments

THIRD QUARTER BUDGET STATUS REPORT

FY09 EXPENDITURES AND CONTINUING APPROPRIATIONS BY ACTIVITY AS OF 3/31/09

ACTIVITY GROUPS	FY09 ORIGINAL BUDGET (A)	FY09 REVISIONS (B)	FY09 CURRENT BUDGET (C) (A+B=C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (E) (C+D=E)	FY09 EXPENSES AS OF 3/31/09 (F)	FY09 COMMITMENTS AS OF 3/31/09 (G)	FY09 BALANCE AS OF 3/31/09 (H) (E-F-G=H)	% REMAINING BALANCE (I) (H/E=I)
HOUSING SERVICES	171,601,370	7,603,234	179,204,604	1,287,120	180,491,724	115,839,025	824,850	63,827,850	35%
Rental Assistance	157,017,065	6,747,318	163,764,383	36,507	163,800,890	107,183,813	221,225	56,395,852	34%
Property Management	11,975,790	608,282	12,584,072	1,148,483	13,732,555	7,370,680	407,779	5,954,097	43%
Workforce & Economic Dev	2,608,515	247,634	2,856,149	102,130	2,958,279	1,284,532	195,846	1,477,901	50%
HOUSING DEVELOPMENT	3,477,507	8,837,011	12,314,518	198,800	12,513,318	234,066	8,740,337	3,538,915	28%
Rental Housing Development	3,477,507	8,837,011	12,314,518	198,800	12,513,318	234,066	8,740,337	3,538,915	28%
HOUSING FINANCE	42,755,034	18,719,869	61,474,903	26,703,184	88,178,087	24,240,283	26,062,214	37,875,590	43%
Rental Housing Finance	22,454,805	6,375,425	28,830,230	18,920,873	47,751,103	11,922,884	18,636,406	17,191,813	36%
Homeownership	5,497,280	5,756,695	11,253,975	4,838,739	16,092,714	6,029,726	2,663,395	7,399,593	46%
Rehabilitation	6,657,761	5,475,637	12,133,398	418,477	12,551,875	2,751,971	559,118	9,240,786	74%
Portfolio Servicing & Occupancy Monitoring	2,564,635	55,546	2,620,181	0	2,620,181	642,719	0	1,977,462	75%
Special Purpose Housing	5,580,553	1,056,566	6,637,119	2,525,095	9,162,214	2,892,983	4,203,295	2,065,936	23%
OPERATIONS	12,210,031	198,310	12,408,341	855,570	13,263,911	7,199,502	1,037,958	5,026,451	38%
Board & Executive Functions	901,094	105,000	1,006,094	0	1,006,094	724,569	0	281,525	28%
Support Services	10,033,100	115,000	10,148,100	729,955	10,878,055	5,688,200	854,407	4,335,448	40%
Policy & Public Affairs	1,275,837	(21,690)	1,254,147	125,615	1,379,762	786,733	183,551	409,478	30%
PROGRAM & CONTINGENCY RESERVES	34,988,406	490,644	35,479,050	0	35,479,050	0	0	35,479,050	100%
TOTAL	265,032,348	35,849,068	300,881,416	29,044,674	329,926,090	147,512,876	36,665,359	145,747,856	44%

THIRD QUARTER BUDGET STATUS REPORT

FY09 EXPENDITURES & CONTINUING APPROPRIATIONS BY ACCOUNT AS OF 03/31/09

EXPENSE CATEGORY	FY09 ORIGINAL BUDGET (A)	FY09 REVISIONS (B)	FY09 CURRENT BUDGET (C)	FY09 PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS AS OF 03/31/09 (E)	FY09 EXPENSES AS OF 03/31/09 (F)	FY09 COMMITMENTS AS OF 03/31/09 (G)	FY09 BALANCE AS OF 03/31/09 (H)	FY09 REMAINING BALANCE (I)	%
			(A+B=C)		(C+D=E)			(E-F-G=H)	(H/I=K)	
SALARIES & BENEFITS	18,686,970	0	18,686,970	0	18,686,970	11,998,745	0	6,688,225	36%	
SERVICES & SUPPLIES	8,674,426	1,505,701	10,180,127	1,242,048	11,422,175	4,978,739	1,411,789	5,031,647	44%	
HOUSING PROGRAMS										
RENT TO OWNERS	151,855,062	6,468,262	158,323,324	1,709,314	160,032,638	103,043,737	2,655,139	54,333,762	34%	
LOANS & GRANTS	34,083,120	17,317,825	51,400,945	24,888,401	76,289,346	20,272,108	23,343,174	32,674,064	43%	
OTHER HOUSING PROGRAMS	16,744,364	10,066,636	26,811,000	1,204,911	28,015,911	7,219,547	9,255,256	11,541,108	41%	
HOUSING PROGRAM TOTAL	202,682,546	33,852,723	236,535,269	27,802,626	264,337,895	130,535,392	35,253,569	98,548,934	37%	
RESERVES	34,988,406	490,644	35,479,050	0	35,479,050	0	0	35,479,050	100%	
TOTAL	265,032,348	35,849,068	300,881,416	29,044,674	329,926,090	147,512,876	36,665,359	145,747,856	44%	

THIRD QUARTER BUDGET STATUS REPORT

FY09 SUMMARY OF REVENUES RECEIVED AS OF 03/31/09

	FY09 ORIGINAL BUDGET (A)	FY09 REVISIONS (B)	FY09 CURRENT BUDGET (A+B=C) (C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (E) (C+D=E)	ACTUAL REVENUE RECEIVED (F)	% RECEIVED (F/E=G)
REVENUES							
Restricted Revenues							
Section 8	162,871,642	8,628,015	171,499,657	147,611	171,647,268	134,160,489	78%
Other HUD	10,658,799	19,597,262	30,256,061	1,970,520	32,226,581	13,108,696	41%
State	1,926,817	394,004	2,320,821	194,474	2,515,295	2,166,194	86%
CDBG	3,129,615	(941,976)	2,187,639	321,822	2,509,461	1,027,604	41%
Restricted Local	34,866,598	(848,822)	34,017,776	2,059,339	36,077,115	28,046,527	78%
Restricted Revenues Sub-total	213,453,471	26,828,483	240,281,954	4,693,766	244,975,720	178,509,510	73%
Unrestricted Revenues							
Rental Rehabilitation	37,788	0	37,788	2,659	40,447	6,779	17%
Local	20,713,400	2,478,565	23,191,965	1,099,307	24,291,272	25,601,808	105%
Affordable Housing Fund	12,984,862	6,056,042	19,040,904	9,464,049	28,504,953	26,494,996	93%
HOME	17,842,827	485,978	18,328,805	13,784,893	32,113,698	7,635,452	24%
Unrestricted Revenues Sub-total	51,578,877	9,020,585	60,599,462	24,350,908	84,950,370	59,739,035	70%
TOTAL REVENUES	\$265,032,348	\$35,849,068	\$300,881,416	\$29,044,674	\$329,926,090	\$238,248,545	72%

Third Quarter FY09 Budget Amendments

I. Budget Revisions

<u>Amount</u>	<u>Source</u>	<u>Activity</u>	<u>Expense</u>	<u>Approved by</u>
25,984,800	Various	Various	Various	Housing Authority
2,257,491	Restricted Local / AHF	Rental Housing Finance	Loans and Grants	Housing Authority
(30,252)	Various	Workforce & Economic Development	Various	President & CEO
77	Other HUD	Various	Various	President & CEO
7,000,000	Other HUD	Rehab Rental & Owner Occupied / Reserves	Various	Housing Authority
200,000	Restricted Local	Rehab Owner Occupied / Reserves	Loans and Grants / Reserves	Housing Commission
39,051	Various	Various	Various	President & CEO
35,451,167	Total Budget Revisions			

II. Budget Transfers

<u>Amount</u>	<u>Source</u>	<u>From Activity/Line Item</u>	<u>To Activity/Line Item</u>	<u>Transfer Amount</u>	<u>Approved by</u>
1	0	Section 8	Reserves / Reserves	20,000	President & CEO
2	0	Other HUD / Restricted Local	Workforce & ED / Workforce Expenses	17,996	President & CEO
3	0	Other HUD	Various	31,483	President & CEO
4	0	Unrestricted Local	Reserves / Reserves	25,909	President & CEO
5	0	Section 8	Reserves / Reserves	15,500	President & CEO
6	0	Restricted Local	Reserves / Reserves	6,908	President & CEO
7	0	Section 8	Reserves / Reserves	15,000	President & CEO
8	0	Section 8	Reserves / Reserves	45,000	President & CEO
9	0	Section 8	Reserves / Reserves	45,000	President & CEO
10	0	Restricted Local	Reserves / Reserves	6,112,478	Housing Authority
	0	Total Budget Transfers			

35,451,167 Grand Total Budget Revisions & Transfers