



INFORMATIONAL REPORT

DATE ISSUED: December 15, 2006
REPORT NO: HCR 07-01
SUBJECT: First Quarter FY07 Budget Status Report

NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION

SUMMARY

The total amount available for expenditure in FY07 is \$304.8 million and this amount includes \$275.7 million plus the \$29.1 million of continuing appropriations from the previous year's balance of vendor/contractor commitments. The FY07 expenditures and commitments were on pace with budget expectation primarily due to the prior year commitments. Overall revenues were higher than budget expectation primarily due to the Property Management reserves and the significant carryover of Redevelopment, Local and Affordable Housing funds and these additional funds have been incorporated in the fall budget revision.

BACKGROUND

The purpose of the Quarterly Budget Status Report is to show expenditure and revenue trends and possible deviations from the FY07 Budget plan. If funds were expended and revenues received equally throughout the year, it would be expected that, at the end of the first quarter, approximately 25% of the expenditures/commitments and revenues would be achieved.

DISCUSSION

There are three attachments to this report that show the current status of expenditures and revenues for the first quarter of FY07. A summary of the Agency's Expenditures and Commitments by activity as of September 30, 2006 is provided in Attachment 1. This attachment includes a chart that identifies the FY07 Original Approved Budget, Revisions, the FY07 Current Budget, prior year commitments for each Activity and reflects the first quarter expenditures, commitment levels and the remaining balance of uncommitted budget authority. An overview of this attachment shows the balance remaining for Housing Services is on pace with budget expectation. Operations' balance remaining is greater than expectation as the purchase of the new office facility occurred in the second quarter. Housing Finance & Development's balance remaining is less than expectation due to prior year commitments. The Agency's expenditures and commitments for all activities are \$73.5 million, or 24% of the \$304.8 million Total Budget. Of this amount, expenditures are \$40.8 million and commitments are \$32.6 million.

Attachment 2 is a summary of the Agency's Expenditures and Commitments by Major Account as of September 30, 2007. This attachment includes a chart that identifies the FY07 Original Approved Budget, Revisions, the FY07 Current Budget, prior year commitments for each Major Account and reflects the first quarter expenditure and commitment levels and the remaining balance of uncommitted budget authority. An overview of this attachment shows that the balance remaining in Salaries & Benefits and Rent to Owners are on pace with budget expectation. The balance of Supplies & Services is less than budget expectation due to commitments for the new office furnishings and consultants for human resources, leasing of office space and a feasibility study of the University Canyon project. The balance of Loans & Grants is less than budget expectation due to the significant amount of prior year commitments. Other Housing Programs balance is greater than expectation primarily due to the significant purchase of the new office facility in the second quarter.

Attachment 3 is a summary of the Agency's revenues as of September 30, 2006 by major revenue classification. This attachment includes a chart that identifies the FY07 Original Approved Budget, Revisions, the FY07 Current Budget, prior year commitments for each major revenue source and reflects the first quarter revenues received. An overview of this attachment shows Restricted Revenues are higher than budget expectations as Other HUD funds and Restricted Local funds include the carryover of significant reserves on the Conventional Public Housing Program and the carryover of City School site sale funds, Coastal Housing, Condo Conversion and Redevelopment funds. Section 8 funds are close to budget expectation while CDBG funds are on pace with budget expectations due to the carryover of foreclosure funds from FY06. The State funds are less than expected due to the delay in State approval of annuity funds for the two housing management projects and pending approval of projects. Unrestricted Revenues are higher than budget expectation except for HOME funds that are only received as loans are funded. This will change as commitments for HOME projects are funded over the next two quarters. There was significant carryover of Rental Rehabilitation, Local and Affordable Housing funds and these additional funds have been incorporated in the fall budget revision. The Agency's revenues were \$111.1 million or 36% of the \$304.8 million Total Budget.

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Since the Original Housing Commission FY07 Budget was approved on April 14, 2006, the FY07 Budget has not been changed in total. Attachment 4 reflects the nine revisions that transferred funds among activities and/or major line items.

Respectfully submitted,

Tim Sturtevant
Budget Officer

**Signature on File
With Original Document**

Approved by,

Elizabeth C. Morris
President & Chief Executive Officer

STURTEVANT/MONTAGUE/SILSBEE (578-7731)
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Attachments:

1. FY07 Summary of Expenditures and Remaining Commitments by Activity as of September 30, 2006.
2. FY07 Summary of Expenditures and Remaining Commitments by Account as of September 30, 2006.
3. FY07 Summary of Revenues Received as of September 30, 2006
4. FY07 First Quarter Budget Amendments

FIRST QUARTER BUDGET STATUS REPORT

FY07 EXPENDITURES AND CONTINUING APPROPRIATIONS BY ACTIVITY AS OF 09/30/06

ACTIVITY GROUPS	FY07 ORIGINAL BUDGET (A)	FY07 REVISIONS (B)	FY07 CURRENT BUDGET (C) (A+B=C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (E) (C+D=E)	FY07 EXPENSES AS OF 06/30/06 (F)	FY07 COMMITMENTS AS OF 06/30/06 (G)	FY07 BALANCE AS OF 06/30/06 (H) (E-F-G=H)	% REMAINING BALANCE (I) (H/E=I)
HOUSING SERVICES	152,767,600	229,773	152,997,373	2,113,169	155,110,542	32,282,895	2,685,904	120,141,744	77%
Rental Assistance	129,327,092	134,773	129,461,865	70,836	129,532,701	29,713,046	68,256	99,751,398	77%
Property Management	21,434,019	95,000	21,529,019	1,813,869	23,342,888	2,185,577	2,356,146	18,801,165	81%
Resident Services	2,006,489	0	2,006,489	228,465	2,234,954	384,272	261,501	1,589,181	71%
HOUSING FINANCE & DEVELOPMENT	64,146,849	54,983	64,201,832	26,410,955	90,612,787	6,970,579	26,816,592	56,825,616	63%
Rental Housing Production	40,941,932	42,687	40,984,619	16,547,303	57,531,922	5,140,996	15,914,664	36,476,263	63%
Homeownership	5,614,872	0	5,614,872	3,442,590	9,057,462	231,650	3,383,284	5,442,528	60%
Rehabilitation	11,237,434	12,296	11,249,730	383,090	11,632,820	1,091,876	877,410	9,663,534	83%
Portfolio Servicing & Occupancy Monitoring	2,725,502	0	2,725,502	11,930	2,737,432	205,083	11,930	2,520,419	92%
Special Purpose Housing	3,627,109	0	3,627,109	6,026,041	9,653,150	300,974	6,629,305	2,722,871	28%
OPERATIONS	36,803,544	215,000	37,018,544	570,965	37,589,509	1,580,899	3,130,824	32,877,786	87%
Board & Executive Functions	848,196	40,000	888,196	57,792	945,988	255,576	81,861	608,551	64%
Support Services	35,184,976	175,000	35,359,976	506,662	35,866,638	1,185,830	3,001,206	31,679,602	88%
Policy & Governmental Affairs	770,372	0	770,372	6,512	776,884	139,493	47,758	589,633	76%
PROGRAM & CONTINGENCY RESERVES	22,013,570	(499,756)	21,513,814	0	21,513,814	0	0	21,513,814	100%
TOTAL	275,731,563	0	275,731,563	29,095,089	304,826,652	40,834,373	32,633,320	231,358,960	76%

FIRST QUARTER BUDGET STATUS REPORT**FY07 EXPENDITURES & CONTINUING APPROPRIATIONS BY ACCOUNT AS OF 09/30/06**

EXPENSE CATEGORY	FY07 ORIGINAL BUDGET (A)	FY07 REVISIONS (B)	FY07 CURRENT BUDGET (C) (A+B=C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (E) (C+D=E)	FY07 EXPENSES AS OF 09/30/06 (F)	FY07 COMMITMENTS AS OF 09/30/06 (G)	FY07 BALANCE AS OF 09/30/06 (H) (E-F-G=H)	% REMAINING BALANCE (I) (H/E=K)
SALARIES & BENEFITS	17,110,820	0	17,110,820	0	17,110,820	3,714,551	0	13,396,269	78%
SERVICES & SUPPLIES	11,756,749	404,756	12,161,505	921,208	13,082,713	1,448,166	3,454,984	8,179,563	63%
HOUSING PROGRAMS									
RENT TO OWNERS	123,532,331	0	123,532,331	2,906,737	126,439,068	28,507,332	3,394,438	94,537,298	75%
LOANS & GRANTS	43,673,819	0	43,673,819	23,414,328	67,088,147	5,872,279	23,282,601	37,933,267	57%
OTHER HOUSING PROGRAMS	57,644,274	95,000	57,739,274	1,852,816	59,592,090	1,292,045	2,501,297	55,798,748	94%
HOUSING PROGRAM TOTAL	224,850,424	95,000	224,945,424	28,173,881	253,119,305	35,671,655	29,178,336	188,269,313	74%
PROGRAM CONTINGENCY & RESERVES	22,013,570	(499,756)	21,513,814	0	21,513,814	0	0	21,513,814	100%
TOTAL	275,731,563	0	275,731,563	29,095,089	304,826,652	40,834,373	32,633,320	231,358,959	76%

FIRST QUARTER BUDGET STATUS REPORT**FY07 SUMMARY OF REVENUES RECEIVED AS OF 9/30/06**

	FY07 ORIGINAL BUDGET (A)	FY07 REVISIONS (B)	FY07 CURRENT BUDGET (C) (A+B=C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (E) (C+D=E)	ACTUAL REVENUE RECEIVED (F)	% RECEIVED (G) (F/E=G)
REVENUES							
Restricted Revenues							
Section 8	134,126,712	0	134,126,712	146,365	134,273,077	42,237,017	31%
Other HUD	31,626,464	0	31,626,464	5,242,699	36,869,163	15,669,464	43%
State	3,444,626	0	3,444,626	1,799,321	5,243,947	511,811	10%
CDBG	3,422,834	0	3,422,834	86,865	3,509,699	1,038,785	30%
Restricted Local	16,042,515	0	16,042,515	3,513,503	19,556,018	11,391,004	58%
Restricted Revenues Sub-total	188,663,151	0	188,663,151	10,788,753	199,451,904	70,848,081	36%
Unrestricted Revenues							
Rental Rehabilitation	97,345	0	97,345	0	97,345	198,897	204%
Local	43,979,412	0	43,979,412	1,231,751	45,211,163	16,876,921	37%
Affordable Housing Fund	18,215,073	0	18,215,073	5,655,148	23,870,221	18,796,329	79%
HOME	24,776,582	0	24,776,582	11,419,437	36,196,019	4,345,293	12%
Unrestricted Revenues Sub-total	87,068,412	0	87,068,412	18,306,336	105,374,748	40,217,440	38%
TOTAL REVENUES	\$275,731,563	\$0	\$275,731,563	\$29,095,089	\$304,826,652	\$111,065,521	36%

First Quarter FY07 Budget Amendments

I. Budget Revisions

<u>Amount</u>	<u>Source</u>	<u>Activity</u>	<u>Expense</u>	<u>Approved by</u>
0	Total Budget Revisions			

II. Budget Transfers

	<u>Amount</u>	<u>Source</u>	<u>Activity</u>	<u>Expense</u>	<u>Approved by</u>
1	(40,000)	Local Funds	Reserves	Reserves	President & C.E.O.
	40,000	Local Funds	Board & Executive Functions	Direct Hire Contractors	President & C.E.O.
2	(11,003)	CalHome EAGR	Various	Administration	President & C.E.O.
	11,003	CalHome EAGR	Reserves	Reserves	President & C.E.O.
	(11,003)	Local Funds	Reserves	Reserves	President & C.E.O.
	11,003	Local Funds	Various	Administration	President & C.E.O.
3	(175,000)	Local Funds	Reserves	Reserves	Housing Commission
	175,000	Local Funds	Financial Services	Audit	Housing Commission
4	(99,773)	Section 8 Voucher	Reserves	Reserves	President & C.E.O.
	99,773	Section 8 Voucher	Rental Assistance	Direct Hire Contractors	President & C.E.O.
5	(35,000)	Section 8 Voucher	Reserves	Reserves	President & C.E.O.
	35,000	Section 8 Voucher	Rental Assistance	Direct Hire Contract/Office Supplies	President & C.E.O.
6	(95,000)	Conventional	Reserves	Reserves	President & C.E.O.
	95,000	Conventional	Asset Management	Dwelling Equipment	President & C.E.O.
7	(12,296)	Lead Hazard	Reserves	Reserves	President & C.E.O.
	12,296	Lead Hazard & Paint	Rehabilitation	Direct Hire Contractors	President & C.E.O.
8	(31,287)	HOME	Reserves	Reserves	President & C.E.O.
	31,287	HOME	Rental Housing Production	Direct Hire Contractors	President & C.E.O.
9	(11,400)	Local Funds	Reserves	Reserves	President & C.E.O.
	11,400	Local Funds	Rental Housing Production	Contract/Consultants	President & C.E.O.
	0	Total Budget Transfers			

0	Grand Total Budget Revisions & Transfers			
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