



INFORMATIONAL REPORT

DATE ISSUED: October 12, 2007
REPORT NO: HCR 07-70
SUBJECT: Fourth 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 \$312.3 million and this amount includes the current year budget of \$288.3 million plus the \$24.0 million of continuing appropriations from the previous year's balance of vendor/contractor commitments. The FY07 data indicates that the Housing Commission's overall expenditures and commitments are below pace with budget expectation primarily due to the timing of various housing projects and the multi-year nature of several programs. Overall revenues were slightly below budget expectation primarily due to the multi-year nature of some funds, the receipt of some mid-year funding and because most reimbursements are limited to actual expenditures.

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 fourth quarter, approximately 100% 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 fourth quarter of FY07. A summary of the Agency's Expenditures and Commitments by activity as of June 30, 2007 is provided in Attachment 1. This attachment identifies the FY07 Original Approved Budget, Revisions, the FY07 Current Budget, prior year commitments for each Activity and reflects the fourth 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 greater than budget expectation primarily due to multi-year programs for renovation of State and HUD Conventional units. Operations' balance remaining is greater than expectation primarily due to computer and telephone equipment purchases that will occur in FY08 and less contract/consultants at the new office facility. Housing Finance & Development's balance is greater than expectation as pipeline projects are expected to receive approvals in the next two quarters. The Agency's expenditures and commitments for all activities are \$233.8 million, or 75% of the \$312.3 million Total Budget plus Continuing Appropriations. Of this amount, expenditures are \$200.9 million and commitments are \$32.9 million.

Attachment 2 is a summary of the Agency's Expenditures and Commitments by Major Account as of June 30, 2007. This attachment identifies the FY07 Original Approved Budget, Revisions, the FY07 Current Budget, prior year commitments for each Major Account and reflects the fourth quarter expenditure and commitment levels and the remaining balance of uncommitted budget authority. An overview of this

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attachment shows that the balance remaining in Salaries & Benefits are slightly greater than budget expectation due to position vacancies. Supplies & Services are greater than budget expectation as computer equipment will be purchased next year, a lesser need for consulting than expected and lower sundry costs. The balance for Rent to Owners is higher than expected due to lower rent increases and the balance of Loans & Grants is greater than budget expectation as pipeline projects are expected to receive approvals in the next two quarters. Other Housing programs are greater than expectation due to the inclusion of new awards and multi-year programs.

Attachment 3 is a summary of the Agency's revenues as of June 30, 2007 by major revenue classification. This attachment identifies the FY07 Original Approved Budget, Revisions, the FY07 Current Budget, prior year commitments for each major revenue source and reflects the fourth quarter revenues received. An overview of this attachment shows Restricted Revenues are slightly below budget expectations although the Section 8 funds are on pace with budget expectations. Other HUD funds are less than budget expectation due to the inclusion of multi-year programs. CDBG funds are below budget expectation due to contract approval at the City of San Diego occurred in May and reimbursement of expenditures did not occur until the first quarter of FY08. The State funds are less than expected due to the State disapproval of annuity funds for the two housing management projects and pending approval of other projects. The Restricted Local funds are below budget expectation primarily because the proposed sale of 35 University Canyon units for \$5 million to the Public Housing program occurred in early FY08. Most 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. The Agency's revenues were \$273.2 million or 87% of the \$312.3 million Total Budget plus Continuing Appropriations.

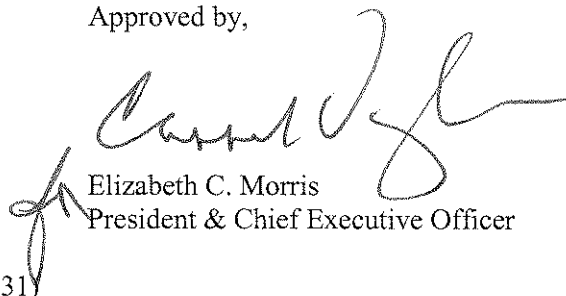
Since the Fourth Quarter Budget Status Report, the FY07 Budget has been revised from \$287,925,798 to \$288,328,269. The increase in the FY07 Budget of \$402,471 is due primarily to the additional award of CalHFA HELP and Shelter Plus Care funds for projects. Attachment 4 reflects the five revisions that increased/decreased the FY07 Budget and seven revisions that transferred funds among activities and/or major line items.

Respectfully submitted,

Approved by,



Tim Sturtevant
Budget Officer



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 June 30, 2007.
2. FY07 Summary of Expenditures and Remaining Commitments by Account as of June 30, 2007.
3. FY07 Summary of Revenues Received as of June 30, 2007.
4. FY07 Fourth Quarter Budget Amendments

FOURTH QUARTER BUDGET STATUS REPORT

FY07 EXPENDITURES AND CONTINUING APPROPRIATIONS BY ACTIVITY AS OF 06/30/07

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 06/30/07 (F)	FY07 COMMITMENTS AS OF 06/30/07 (G)	FY07 BALANCE AS OF 06/30/07 (H) (E-F-G=H)	% REMAINING BALANCE (I) (H/E=I)
HOUSING SERVICES	152,767,600	4,733,384	157,500,984	1,575,795	159,076,779	132,774,587	2,522,787	23,779,405	15%
Rental Assistance	129,327,092	4,620,466	133,947,558	65,370	134,012,928	118,684,860	78,528	15,249,540	11%
Property Management	21,434,019	9,507	21,443,526	1,284,885	22,728,411	12,283,324	2,407,090	8,037,997	35%
Resident Services	2,006,489	103,411	2,109,900	225,540	2,335,440	1,806,403	37,169	491,868	21%
HOUSING FINANCE & DEVELOPMENT	64,146,849	4,667,300	68,814,149	22,028,333	90,842,482	34,428,998	29,619,046	26,794,438	29%
Rental Housing Production	40,941,932	2,881,312	43,823,244	12,181,842	56,005,086	19,205,312	19,835,413	16,964,361	30%
Homeownership	5,614,872	472,891	6,087,763	3,442,590	9,530,353	2,187,520	3,537,330	3,805,503	40%
Rehabilitation	11,237,434	186,316	11,423,750	383,090	11,806,840	7,898,672	276,024	3,632,144	31%
Portfolio Servicing & Occupancy Monitoring	2,725,502	86,590	2,812,092	0	2,812,092	1,063,205	22,968	1,725,919	61%
Special Purpose Housing	3,627,109	1,040,191	4,667,300	6,020,811	10,688,111	4,074,289	5,947,311	666,511	6%
OPERATIONS	36,803,544	422,973	37,226,517	361,583	37,588,100	33,740,334	759,633	3,088,133	8%
Board & Executive Functions	848,196	115,000	963,196	0	963,196	845,785	0	117,411	12%
Support Services	35,184,976	262,973	35,447,949	355,483	35,803,432	32,130,319	739,189	2,933,924	8%
Policy & Governmental Affairs	770,372	45,000	815,372	6,100	821,472	764,230	20,444	36,798	4%
PROGRAM & CONTINGENCY RESERVES	22,013,570	2,773,049	24,786,619	0	24,786,619	0	0	24,786,619	100%
TOTAL	275,731,563	12,596,706	288,328,269	23,965,711	312,293,980	200,943,919	32,901,466	78,448,595	25%

FOURTH QUARTER BUDGET STATUS REPORT

FY07 EXPENDITURES & CONTINUING APPROPRIATIONS BY ACCOUNT AS OF 06/30/07

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 06/30/07 (F)	FY07 COMMITMENTS AS OF 06/30/07 (G)	FY07 BALANCE AS OF 06/30/07 (H) (E-F-G=H)	% REMAINING BALANCE (I) (H/E=K)
SALARIES & BENEFITS	17,110,820	0	17,110,820	0	17,110,820	16,079,567	0	1,031,253	6%
SERVICES & SUPPLIES	11,756,749	815,824	12,572,573	694,650	13,267,223	9,462,808	841,053	2,963,362	22%
HOUSING PROGRAMS									
RENT TO OWNERS	123,532,331	4,399,671	127,932,002	2,906,737	130,838,739	113,307,476	2,493,605	15,037,658	11%
LOANS & GRANTS	43,673,819	4,682,991	48,356,810	19,043,635	67,400,445	28,642,808	24,857,455	13,900,182	21%
OTHER HOUSING PROGRAMS	57,644,274	(74,829)	57,569,445	1,320,689	58,890,134	33,451,260	4,709,353	20,729,521	35%
HOUSING PROGRAM TOTAL	224,850,424	9,007,833	233,858,257	23,271,061	257,129,318	175,401,544	32,060,413	49,667,361	19%
PROGRAM CONTINGENCY & RESERVES	22,013,570	2,773,049	24,786,619	0	24,786,619	0	0	24,786,619	100%
TOTAL	275,731,563	12,596,706	288,328,269	23,965,711	312,293,980	200,943,919	32,901,466	78,448,595	25%

FOURTH QUARTER BUDGET STATUS REPORT

FY07 SUMMARY OF REVENUES RECEIVED AS OF 6/30/07

	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	4,446,423	138,573,135	122,248	138,695,383	136,496,902	98%
Other HUD	31,626,464	1,069,573	32,696,037	5,134,403	37,830,440	27,627,563	73%
State	3,444,626	(135,418)	3,309,208	1,799,321	5,108,529	1,722,586	34%
CDBG	3,422,834	(12,407)	3,410,427	86,865	3,497,292	1,234,220	35%
Restricted Local	16,042,515	399,307	16,441,822	3,507,553	19,949,375	14,675,959	74%
Restricted Revenues Sub-total	188,663,151	5,767,478	194,430,629	10,650,390	205,081,019	181,757,230	89%
Unrestricted Revenues							
Rental Rehabilitation	97,345	163,838	261,183	0	261,183	254,324	97%
Local	43,979,412	2,068,582	46,047,994	611,428	46,659,422	47,879,307	103%
Affordable Housing Fund	18,215,073	5,071,982	23,287,055	2,359,008	25,646,063	28,021,683	109%
HOME	24,776,582	(475,174)	24,301,408	10,344,885	34,646,293	15,297,750	44%
Unrestricted Revenues Sub-total	87,068,412	6,829,228	93,897,640	13,315,321	107,212,961	91,453,064	85%
TOTAL REVENUES	\$275,731,563	\$12,596,706	\$288,328,269	\$23,965,711	\$312,293,980	\$273,210,294	87%

Fourth Quarter FY07 Budget Amendments

I. Budget Revisions

	<u>Amount</u>	<u>Source</u>	<u>Activity</u>	<u>Expense</u>	<u>Approved by</u>
1	1,000	CDBG	Rehabilitation	Salaries, Benefits, Loan & Grants	President & C.E.O.
2	10,000	CDBG	Special Purpose Housing	Loans & Grants/Reserves	President & C.E.O.
3	300,000	Local Funds	Rental Housing Production	Loans & Grants	Housing Authority
4	111,396	Shelter Plus Care	Special Purpose Housing	Rent to Owners/Loans & Grants	Housing Commission
5	(19,925)	Rental Rehabilitation	Special Purpose Housing	Loans & Grants	President & C.E.O.
	402,471	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>
6	0	HOME	Rehabilitation/Salaries & Benefits	Reserves/Reserves	\$100	President & C.E.O.
7	0	Local Funds	Facilities Management/Office Equipment	Facilities Management/Contract-Consultants	\$50,000	President & C.E.O.
8	0	Local Funds	Reserves/Reserves	Board & Executive Functions/Legal	\$75,000	President & C.E.O.
9	0	Section 8	Reserves/Reserves	Rental Assistance/Office Equipment	\$4,200	President & C.E.O.
10	0	Local Funds	Reserves/Reserves	Policy & Gov't Affairs/Legal & Consultants	\$45,000	President & C.E.O.
11	0	HOME	Rental Housing Production/Site Acquisition	Rental Housing Production/Loans & Grants	\$192,341	President & C.E.O.
12	0	Local Funds	Reserves/Reserves	Special Purpose Housing/Loans & Grants	\$19,925	President & C.E.O.
	0	Total Budget Transfers				

402,471

Grand Total Budget Revisions & Transfers