



## INFORMATIONAL REPORT

**DATE ISSUED:** February 22, 2007  
**REPORT NO:** HCR 08-029  
**SUBJECT:** Second Quarter FY08 Budget Status Report

### **NO ACTION IS REQUIRED ON THE PART OF THE HOUSING COMMISSION**

#### **SUMMARY**

The total amount available for expenditure in FY08 is \$264.6 million and this amount includes the current year budget of \$231.7 million plus the \$32.9 million of continuing appropriations from the previous year's balance of vendor/contractor commitments. The FY08 data indicates that the Housing Commission's overall expenditures and commitments are 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; 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 FY08 Budget plan. If funds were expended and revenues received equally throughout the year, it would be expected that, at the end of the second quarter, approximately 50% 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 second quarter of FY08. A summary of the Agency's Expenditures and Commitments by activity as of December 31, 2007 is provided in Attachment 1. This attachment identifies the FY08 Original Approved Budget, Revisions, the FY08 Current Budget, prior year commitments for each Activity and reflects the second 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 primarily due to Rental Assistance and prior year Property Management commitments for renovation of State and HUD Conventional units. Operations' balance remaining is also on pace with budget expectation due to commitments for leasing the new office facility, tenant improvements and software support. Housing Finance & Development's balance is on pace due to prior year commitments. The Agency's expenditures and commitments for all activities are \$117.2 million, or 44% of the \$264.6 million Total Budget plus Continuing Appropriations. Of this amount, expenditures are \$95.2 million and commitments are \$22.0 million.

Attachment 2 is a summary of the Agency's Expenditures and Commitments by Major Account as of December 31, 2007. This attachment identifies the FY08 Original Approved Budget, Revisions, the FY08 Current Budget, prior year commitments for each Major Account and reflects the second quarter expenditure and commitment levels and the remaining balance of uncommitted budget authority. An

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overview of this attachment shows that the balance remaining in Salaries & Benefits are slightly greater than budget expectation due to position vacancies. Supplies & Services are on pace with budget expectation due to commitments for leasing on the new office facility and software support. The balance for Rent to Owners is on pace with budget expectation and the balance of Loans & Grants is slightly less than budget expectation due to the significant amount of prior year commitments. Other Housing programs are slightly less than expectation primarily due to pending site acquisition and relocation expected in the next two quarters.

Attachment 3 is a summary of the Agency's revenues as of December 31, 2007 by major revenue classification. This attachment identifies the FY08 Original Approved Budget, Revisions, the FY08 Current Budget, prior year commitments for each major revenue source and reflects the second quarter revenues received. An overview of this attachment shows Restricted Revenues are higher than budget expectations as Section 8, Other HUD funds and Restricted Local funds include the carryover of significant reserves on the Voucher and Housing Management programs and also include the carryover of City School acquisition sale funds, Coastal Housing, Condo Conversion and Redevelopment funds. CDBG funds are below budget expectation due to pending contract approval at the City of San Diego while 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 other projects. Most Unrestricted Revenues are higher than budget expectation due to significant carryover of funds from FY07 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 \$172.9 million or 65% of the \$264.6 million Total Budget plus Continuing Appropriations.

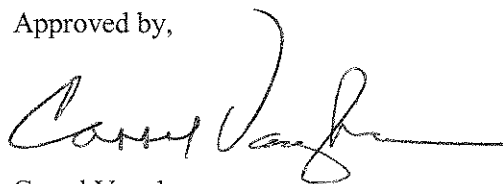
Since the First Quarter Budget Status Report, the FY08 Budget has been revised from \$231,538,338 to \$231,663,338. The increase in the FY08 Budget of \$125,000 is due to the addition of an award of CDBG project funds and unexpected Voucher funds. Attachment 4 reflects the two revisions that increased/decreased the FY08 Budget and two revisions that transferred funds among activities and/or major line items.

Respectfully submitted,



John Pfeiffer  
Chief Financial Officer

Approved by,



Carrol Vaughan  
Interim President & Chief Executive Officer

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Attachments:

1. FY08 Summary of Expenditures and Remaining Commitments by Activity as of December 31, 2007.
2. FY08 Summary of Expenditures and Remaining Commitments by Account as of December 31, 2007.
3. FY08 Summary of Revenues Received as of December 31, 2007.
4. FY08 Second Quarter Budget Amendments

**SECOND QUARTER BUDGET STATUS REPORT**

**FY08 EXPENDITURES AND CONTINUING APPROPRIATIONS BY ACTIVITY AS OF 12/31/07**

ACTIVITY GROUPS	FY08 ORIGINAL BUDGET (A)	FY08 REVISIONS (B)	FY08 CURRENT BUDGET (A+B=C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS AS OF 12/31/07 (E)	FY08 EXPENSES AS OF 12/31/07 (F)	FY08 COMMITMENTS AS OF 12/31/07 (G)	FY08 BALANCE AS OF 12/31/07 (E-F-G=H)	% REMAINING BALANCE (H/E=I)
<b>HOUSING SERVICES</b>	<b>154,630,950</b>	<b>298,498</b>	<b>154,929,448</b>	<b>2,522,720</b>	<b>157,452,168</b>	<b>71,141,505</b>	<b>1,934,333</b>	<b>84,376,330</b>	<b>54%</b>
Rental Assistance	134,463,479	75,000	134,538,479	78,528	134,617,007	61,338,919	101,727	73,176,361	54%
Property Management	17,767,073	23,498	17,790,571	2,411,968	20,202,539	8,943,514	1,581,626	9,677,399	48%
Resident Services	2,400,398	200,000	2,600,398	32,224	2,632,622	859,072	250,980	1,522,570	58%
<b>HOUSING FINANCE &amp; DEVELOPMENT</b>	<b>45,489,969</b>	<b>434,200</b>	<b>45,924,169</b>	<b>29,619,046</b>	<b>75,543,215</b>	<b>19,374,533</b>	<b>19,138,876</b>	<b>37,029,806</b>	<b>49%</b>
Rental Housing Production	26,004,672	90,000	26,094,672	19,835,413	45,930,085	11,274,827	9,506,754	25,148,504	55%
Homeownership	5,753,737	0	5,753,737	3,537,330	9,291,067	2,101,919	3,630,355	3,558,793	38%
Rehabilitation	7,835,614	0	7,835,614	276,024	8,111,638	2,993,088	884,233	4,234,317	52%
Portfolio Servicing & Occupancy Monitoring	2,799,101	0	2,799,101	22,968	2,822,069	531,223	7,768	2,283,078	81%
Special Purpose Housing	3,096,845	344,200	3,441,045	5,947,311	9,388,356	2,473,476	5,109,766	1,805,114	19%
<b>OPERATIONS</b>	<b>11,190,279</b>	<b>23,730</b>	<b>11,214,009</b>	<b>754,755</b>	<b>11,968,764</b>	<b>4,727,959</b>	<b>950,294</b>	<b>6,290,511</b>	<b>53%</b>
Board & Executive Functions	851,878	0	851,878	0	851,878	372,843	0	479,035	56%
Support Services	9,506,866	23,730	9,530,596	734,311	10,264,907	3,897,911	890,486	5,476,510	53%
Policy & Governmental Affairs	831,535	0	831,535	20,444	851,979	457,205	59,808	334,966	39%
<b>PROGRAM &amp; CONTINGENCY RESERVES</b>	<b>19,977,140</b>	<b>(381,428)</b>	<b>19,595,712</b>	<b>0</b>	<b>19,595,712</b>	<b>0</b>	<b>0</b>	<b>19,595,712</b>	<b>100%</b>
<b>TOTAL</b>	<b>231,288,338</b>	<b>375,000</b>	<b>231,663,338</b>	<b>32,896,521</b>	<b>264,559,859</b>	<b>95,243,997</b>	<b>22,023,503</b>	<b>147,292,359</b>	<b>56%</b>

**SECOND QUARTER BUDGET STATUS REPORT**

**FY08 EXPENDITURES & CONTINUING APPROPRIATIONS BY ACCOUNT AS OF 12/31/07**

EXPENSE CATEGORY	FY08 ORIGINAL BUDGET (A)	FY08 REVISIONS (B)	FY08 CURRENT BUDGET (A+B=C) (C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS AS OF 12/31/07 (E)	FY08 EXPENSES AS OF 12/31/07 (F)	FY08 COMMITMENTS AS OF 12/31/07 (G)	FY08 BALANCE AS OF 12/31/07 (H)	FY08 BALANCE REMAINING (H-I) (I)	% BALANCE (H/I) (H/I=K)
			(A+B=C)	(D)	(C+D=E)	(F)	(G)	(E-F-G=H)	(I)	(H/I=K)
SALARIES & BENEFITS	17,838,859	0	17,838,859	0	17,838,859	7,741,719	0	10,097,140	57%	
SERVICES & SUPPLIES	8,594,369	129,026	8,723,395	841,053	9,564,448	3,440,380	1,170,885	4,953,183	52%	
HOUSING PROGRAMS										
RENT TO OWNERS	128,476,578	0	128,476,578	2,493,605	130,970,183	58,608,616	2,919,601	69,441,966	53%	
LOANS & GRANTS	30,419,718	434,200	30,853,918	24,857,455	55,711,373	16,697,180	13,909,515	25,104,678	45%	
OTHER HOUSING PROGRAMS	25,981,674	193,202	26,174,876	4,704,408	30,879,284	8,756,102	4,023,502	18,099,680	59%	
HOUSING PROGRAM TOTAL	184,877,970	627,402	185,505,372	32,055,468	217,560,840	84,061,898	20,852,618	112,646,324	52%	
PROGRAM CONTINGENCY & RESERVES	19,977,140	(381,428)	19,595,712	0	19,595,712	0	0	19,595,712	100%	
TOTAL	231,288,338	375,000	231,663,338	32,896,521	264,559,859	95,243,997	22,023,503	147,292,359	56%	

**SECOND QUARTER BUDGET STATUS REPORT**

**FY08 SUMMARY OF REVENUES RECEIVED AS OF 12/31/07**

REVENUES	FY08 ORIGINAL BUDGET (A)	FY08 REVISIONS (B)	FY08 CURRENT BUDGET (A+B=C)	PRIOR YEARS CONTINUING APPROPRIATIONS (D)	TOTAL BUDGET & CONTINUING APPROPRIATIONS (C+D=E)	ACTUAL REVENUE RECEIVED (F)	% RECEIVED (F/E=G)
Restricted Revenues							
Section 8	137,157,916	75,000	137,232,916	122,596	137,355,512	87,453,917	64%
Other HUD	22,593,894	0	22,593,894	5,456,459	28,050,353	18,173,643	65%
State	1,050,663	0	1,050,663	1,394,477	2,445,140	834,170	34%
CDBG	3,351,474	100,000	3,451,474	151,883	3,603,357	1,142,798	32%
Restricted Local	13,591,838	200,000	13,791,838	1,231,487	15,023,325	10,758,133	72%
Restricted Revenues Sub-total	177,745,785	375,000	178,120,785	8,356,902	186,477,687	118,362,661	63%
Unrestricted Revenues							
Rental Rehabilitation	34,848	0	34,848	1,514	36,362	28,211	78%
Local	25,038,556	0	25,038,556	1,046,480	26,085,036	22,441,821	86%
Affordable Housing Fund	11,768,015	0	11,768,015	13,771,061	25,539,076	24,626,318	96%
HOME	16,701,134	0	16,701,134	9,720,564	26,421,698	7,486,415	28%
Unrestricted Revenues Sub-total	53,542,553	0	53,542,553	24,539,619	78,082,172	54,582,765	70%
<b>TOTAL REVENUES</b>	<b>\$231,288,338</b>	<b>\$375,000</b>	<b>\$231,663,338</b>	<b>\$32,896,521</b>	<b>\$264,559,859</b>	<b>\$172,945,426</b>	<b>65%</b>

**Second Quarter FY08 Budget Amendments**

**I. Budget Revisions**

<u>Amount</u>	<u>Source</u>	<u>Activity</u>	<u>Expense</u>	<u>Approved by</u>
1 50,000	CDBG	Rental Housing Production	Loan & Grants and Reserves	President & C.E.O.
2 75,000	Section 8 Voucher	Rental Assistance	Contract/Consultant	President & C.E.O.
<u>125,000</u>	<b>Total Budget Revisions</b>			

**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>
3 0	Public Housing AMP's	Reserves/Reserves	Property Mgmt/Sundry & Maintenance Exps	23,498	President & C.E.O.
4 0	Public Housing AMP's & Maya	AM Construction Svcs/Dwelling Equipment	AM Construction Svcs/Extraordinary Mt	29,440	President & C.E.O.
<u>0</u>	<b>Total Budget Transfers</b>				

**Grand Total Budget Revisions & Transfers**

125,000